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S. 1131

To amend title XVIII of the Social Security Act to provide certain high cost Medicare beneficiaries suffering from multiple chronic conditions with access to coordinated, primary care medical services in lower cost treatment settings, such as their residences, under a plan of care developed by a team of qualified and experienced health care professionals.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2009

Mr. WYDEN (for himself, Mr. BURR, Mr. WHITEHOUSE, and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend title XVIII of the Social Security Act to provide certain high cost Medicare beneficiaries suffering from multiple chronic conditions with access to coordinated, primary care medical services in lower cost treatment settings, such as their residences, under a plan of care developed by a team of qualified and experienced health care professionals.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Independence at Home Act of 2009''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) According to the November 2007 Congressional Budget Office Long Term Outlook for Health Care Spending, unless changes are made to the way health care is delivered, growing demand for resources caused by rising health care costs and to a lesser extent the nation's expanding elderly population will confront Americans with increasingly difficult choices between health care and other priorities. However, opportunities exist to constrain health care costs without adverse health care consequences.

(2) Medicare beneficiaries with multiple chronic conditions account for a disproportionate share of Medicare spending compared to their representation in the overall Medicare population, and evidence suggests that such patients often receive poorly coordinated care, including conflicting information from health providers and different diagnoses of the same symptoms.

(3) People with chronic conditions account for 76 percent of all hospital admissions, 88 percent of

all prescriptions filled, and 72 percent of physician visits.

(4) Studies show that hospital utilization and emergency room visits for patients with multiple chronic conditions can be reduced and significant savings can be achieved through the use of interdisciplinary teams of health care professionals caring for patients in their places of residence.

(5) The Independence at Home Act creates a chronic care coordination pilot project to bring primary care medical services to the highest cost Medicare beneficiaries with multiple chronic conditions in their home or place of residence so that they may be as independent as possible for as long as possible in a comfortable setting.

(6) The Independence at Home Act generates savings by providing better, more coordinated care across all treatment settings to the highest cost Medicare beneficiaries with multiple chronic conditions, reducing duplicative and unnecessary services, and avoiding unnecessary hospitalizations, nursing home admissions, and emergency room visits.

(7) The Independence at Home Act holds providers accountable for improving beneficiary outcomes, ensuring patient and caregiver satisfaction,

and achieving cost savings to Medicare on an annual basis.

(8) The Independence at Home Act creates incentives for practitioners and providers to develop methods and technologies for providing better and lower cost health care to the highest cost Medicare beneficiaries with the greatest incentives provided in the case of highest cost beneficiaries.

(9) The Independence at Home Act contains the central elements of proven home-based primary care delivery models that have been utilized for years by the Department of Veterans Affairs and ''house calls'' programs across the country to deliver coordinated care for chronic conditions in the comfort of a patient's home or place of residence.

SEC. 3. ESTABLISHMENT OF VOLUNTARY INDEPENDENCE AT HOME CHRONIC CARE COORDINATION PILOT PROJECT UNDER TRADITIONAL MEDICARE FEE-FOR-SERVICE PROGRAM.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended—

(1) by amending subsection (c) of section 1807 (42 U.S.C. 1395b–8) to read as follows:

''(c) INDEPENDENCE AT HOME CHRONIC CARE COORDINATION PILOT PROJECT.—A pilot project for Inde-

pendence at Home chronic care coordination programs for high cost Medicare beneficiaries with multiple chronic conditions is set forth in section 1807A.''; and

(2) by inserting after section 1807 the following new section:

''INDEPENDENCE AT HOME CHRONIC CARE COORDINATION PILOT PROJECT

''SEC. 1807A. (a) IMPLEMENTATION.—

''(1) IN GENERAL.—The Secretary shall provide for the phased in development, implementation, and evaluation of Independence at Home programs described in this section to meet the following objectives:

''(A) To improve patient outcomes, compared to comparable beneficiaries who do not participate in such a program, through reduced hospitalizations, nursing home admissions, or emergency room visits, increased symptom self-management, and similar results.

''(B) To improve satisfaction of patients and caregivers, as demonstrated through a quantitative pre-test and post-test survey developed by the Secretary that measures patient and caregiver satisfaction of care coordination, educational information, timeliness of response, and similar care features.

"(C) To achieve a minimum of 5 percent cost savings in the care of beneficiaries under this title suffering from multiple high cost chronic diseases.

"(2) INITIAL IMPLEMENTATION (PHASE I).—

"(A) IN GENERAL.—In carrying out this section and to the extent possible, the Secretary shall enter into agreements with at least two unaffiliated Independence at Home organizations in each of the 13 highest cost States (based on average per capita expenditures per State under this title), in the District of Columbia, and in 13 additional States that are representative of other regions of the United States and include medically underserved rural and urban areas, to provide chronic care coordination services for a period of three years or until those agreements are terminated by the Secretary. Such agreements under this paragraph shall continue in effect until the Secretary makes the determination described in paragraph (3) or until those agreements are supplanted by new agreements under such paragraph. The phase of implementation under

this paragraph is referred to in this section as the 'initial implementation' phase or 'phase I'.

"(B) PREFERENCE.—In selecting Independence at Home organizations under this paragraph, the Secretary shall give a preference, to the extent practicable, to organizations that—

"(i) have documented experience in furnishing the types of services covered by this section to eligible beneficiaries in the home or place of residence using qualified teams of health care professionals that are directed by individuals who have the qualifications of Independence at Home physicians, or in cases when such direction is provided by an Independence at Home physician to a physician assistant who has at least one year of experience providing gerontological medical and related services for chronically ill individuals in their homes, or other similar qualification as determined by the Secretary to be appropriate for the Independence at Home program, by the physician assistant acting under the supervision of an Independence

at Home physician and as permitted under State law, or Independence at Home nurse practitioners;

"(ii) have the capacity to provide services covered by this section to at least 150 eligible beneficiaries; and

"(iii) use electronic medical records, health information technology, and individualized plans of care.

"(3) EXPANDED IMPLEMENTATION PHASE (PHASE II).—

"(A) IN GENERAL.—For periods beginning after the end of the 3-year initial implementation period under paragraph (2), subject to subparagraph (B), the Secretary shall renew agreements described in paragraph (2) with Independence at Home organization that have met all 3 objectives specified in paragraph (1) and enter into agreements described in paragraph (2) with any other organization that is located in any State or the District of Columbia, that was not an Independence at Home organization during the initial implementation period, and that meets the qualifications of an Independence at Home organization under this section.

The Secretary may terminate and not renew such an agreement with an organization that has not met such objectives during the initial implementation period. The phase of implementation under this paragraph is referred to in this section as the 'expanded implementation' phase or 'phase II'.

"(B) CONTINGENCY.—The expanded implementation under subparagraph (A) shall not occur if the Secretary finds, not later than 60 days after the date of issuance of the independent evaluation under paragraph (5), that continuation of the Independence at Home project is not in the best interest of beneficiaries under this title or in the best interest of Federal health care programs.

"(4) ELIGIBILITY.—No organization shall be prohibited from participating under this section during expanded implementation phase under paragraph (3) (and, to the extent practicable, during initial implementation phase under paragraph (2)) because of its small size as long as it meets the eligibility requirements of this section.

"(5) INDEPENDENT EVALUATIONS.—

"(A) IN GENERAL.—The Secretary shall contract for an independent evaluation of the initial implementation phase under paragraph (2) with an interim report to Congress to be provided on such evaluation as soon as practicable after the first year of such phase and a final report to be provided to Congress as soon as practicable following the conclusion of the initial implementation phase, but not later than 6 months following the end of such phase. Such an evaluation shall be conducted by individuals with knowledge of chronic care coordination programs for the targeted patient population and demonstrated experience in the evaluation of such programs.

"(B) INFORMATION TO BE INCLUDED.—Each such report shall include an assessment of the following factors and shall identify the characteristics of individual Independence at Home programs that are the most effective in producing improvements in—

"(i) beneficiary, caregiver, and provider satisfaction;

"(ii) health outcomes appropriate for patients with multiple chronic diseases; and

"(iii) cost savings to the program under this title, such as in reducing—

"(I) hospital and skilled nursing facility admission rates and lengths of stay;

"(II) hospital readmission rates; and

"(III) emergency department visits.

"(C) BREAKDOWN BY CONDITION.—Each such report shall include data on performance of Independence at Home organizations in responding to the needs of eligible beneficiaries with specific chronic conditions and combinations of conditions, as well as the overall eligible beneficiary population.

"(6) AGREEMENTS.—

"(A) IN GENERAL.—The Secretary shall enter into agreements, beginning not later than one year after the date of the enactment of this section, with Independence at Home organizations that meet the participation requirements

of this section, including minimum performance standards developed under subsection (e)(3), in order to provide access by eligible beneficiaries to Independence at Home programs under this section.

"(B) AUTHORITY.—If the Secretary deems it necessary to serve the best interest of the beneficiaries under this title or the best interest of Federal health care programs, the Secretary may—

"(i) require screening of all potential Independence at Home organizations, including owners (such as through fingerprinting, licensure checks, site-visits, and other database checks), before entering into an agreement;

"(ii) require a provisional period during which a new Independence at Home organization would be subject to enhanced oversight (such as prepayment review, unannounced site visits, and payment caps); and

"(iii) require applicants to disclose previous affiliation with entities that have uncollected Medicare or Medicaid debt, and

1 authorize the denial of enrollment if the
2 Secretary determines that these affiliations
3 pose undue risk to the program.

4 "(7) REGULATIONS.—At least three months be-
5 fore entering into the first agreement under this sec-
6 tion, the Secretary shall publish in the Federal Reg-
7 ister the specifications for implementing this section.
8 Such specifications shall describe the implementation
9 process from initial to final implementation phases,
10 including how the Secretary will identify and notify
11 potential enrollees and how and when beneficiaries
12 may enroll and disenroll from Independence at
13 Home programs and change the programs in which
14 they are enrolled.

15 "(8) PERIODIC PROGRESS REPORTS.—Semi-an-
16 nually during the first year in which this section is
17 implemented and annually thereafter during the pe-
18 riod of implementation of this section, the Secretary
19 shall submit to the Committees on Ways and Means
20 and Energy and Commerce of the House of Rep-
21 resentatives and the Committee on Finance of the
22 Senate a report that describes the progress of imple-
23 mentation of this section and explaining any vari-
24 ation from the Independence at Home program as
25 described in this section.

"(9) ANNUAL BEST PRACTICES CONFERENCE.—During the initial implementation phase and to the extent practicable at intervals thereafter, the Secretary shall provide for an annual Independence at Home teleconference for Independence at Home organizations to share best practices and review treatment interventions and protocols that were successful in meeting all 3 objectives specified in paragraph (1).

"(b) DEFINITIONS.—For purposes of this section:

"(1) ACTIVITIES OF DAILY LIVING.—The term 'activities of daily living' means bathing, dressing, grooming, transferring, feeding, or toileting.

"(2) CAREGIVER.—The term 'caregiver' means, with respect to an individual with a qualifying functional impairment, a family member, friend, or neighbor who provides assistance to the individual.

"(3) ELIGIBLE BENEFICIARY.—

"(A) IN GENERAL.—The term 'eligible beneficiary' means, with respect to an Independence at Home program, an individual who—

"(i) is entitled to benefits under part A and enrolled under part B, but not enrolled in a plan under part C;

"(ii) has a qualifying functional impairment and has been diagnosed with two or more of the chronic conditions described in subparagraph (C); and

"(iii) within the 12 months prior to the individual first enrolling with an Independence at Home program under this section, has received benefits under part A for the following services:

"(I) Non-elective inpatient hospital services.

"(II) Services in the emergency department of a hospital.

"(III) Any one of the following:

"(aa) Skilled nursing or subacute rehabilitation services in a Medicare-certified nursing facility.

"(bb) Comprehensive acute rehabilitation facility or Comprehensive outpatient rehabilitation facility services.

"(cc) Skilled nursing or rehabilitation services through a

Medicare-certified home health agency.

"(B) DISQUALIFICATIONS.—Such term does not include an individual—

"(i) who is receiving benefits under section 1881;

"(ii) who is enrolled in a PACE program under section 1894;

"(iii) who is enrolled in (and is not disenrolled from) a chronic care improvement program under section 1807;

"(iv) who within a 12-month period has been a resident for more than 90 days in a skilled nursing facility, a nursing facility (as defined in section 1919), or any other facility identified by the Secretary;

"(v) who resides in a setting that presents a danger to the safety of in-home health care providers and primary caregivers; or

"(vi) whose enrollment in an Independence at Home program the Secretary determines would be inappropriate.

"(C) CHRONIC CONDITIONS DESCRIBED.—The chronic conditions described in this subparagraph are the following:

"(i) Congestive heart failure.

"(ii) Diabetes.

"(iii) Chronic obstructive pulmonary disease.

"(iv) Ischemic heart disease.

"(v) Peripheral arterial disease.

"(vi) Stroke.

"(vii) Alzheimer's Disease and other dementias designated by the Secretary.

"(viii) Pressure ulcers.

"(ix) Hypertension.

"(x) Neurodegenerative diseases designated by the Secretary which result in high costs under this title, including amyotropic lateral sclerosis (ALS), multiple sclerosis, and Parkinson's disease.

"(xi) Any other chronic condition that the Secretary identifies as likely to result in high costs to the program under this title when such condition is present in combination with one or more of the

chronic conditions specified in the preceding clauses.

"(4) INDEPENDENCE AT HOME ASSESSMENT.—The term 'Independence at Home assessment' means a determination of eligibility of an individual for an Independence at Home program as an eligible beneficiary (as defined in paragraph (3)), a comprehensive medical history, physical examination, and assessment of the beneficiary's clinical and functional status that—

"(A) is conducted in person by an individual—

"(i) who—

"(I) is an Independence at Home physician or an Independence at Home nurse practitioner; or

"(II) a physician assistant, nurse practitioner, or clinical nurse specialist, as defined in section 1861(aa)(5), who is employed by an Independence at Home organization and is supervised by an Independence at Home physician or Independence at Home nurse practitioner; and

"(ii) does not have an ownership interest in the Independence at Home organization unless the Secretary determines that it is impracticable to preclude such individual's involvement; and

"(B) includes an assessment of—

"(i) activities of daily living and other co-morbidities;

"(ii) medications and medication adherence;

"(iii) affect, cognition, executive function, and presence of mental disorders;

"(iv) functional status, including mobility, balance, gait, risk of falling, and sensory function;

"(v) social functioning and social integration;

"(vi) environmental needs and a safety assessment;

"(vii) the ability of the beneficiary's primary caregiver to assist with the beneficiary's care as well as the caregiver's own physical and emotional capacity, education, and training;

"(viii) whether, in the professional judgment of the individual conducting the assessment, the beneficiary is likely to benefit from an Independence at Home program;

"(ix) whether the conditions in the beneficiary's home or place of residence would permit the safe provision of services in the home or residence, respectively, under an Independence at Home program;

"(x) whether the beneficiary has a designated primary care physician whom the beneficiary has seen in an office-based setting within the previous 12 months; and

"(xi) other factors determined appropriate by the Secretary.

"(5) INDEPENDENCE AT HOME CARE TEAM.—The term 'Independence at Home care team'—

"(A) means, with respect to a participant, a team of qualified individuals that provides services to the participant as part of an Independence at Home program; and

"(B) includes an Independence at Home physician or an Independence at Home nurse practitioner and an Independence at Home co-

ordinator (who may also be an Independence at Home physician or an Independence at Home nurse practitioner).

"(6) INDEPENDENCE AT HOME COORDINATOR.—The term 'Independence at Home coordinator' means, with respect to a participant, an individual who—

"(A) is employed by an Independence at Home organization and is responsible for coordinating all of the services of the participant's Independence at Home plan;

"(B) is a licensed health professional, such as a physician, registered nurse, nurse practitioner, clinical nurse specialist, physician assistant, or other health care professional as the Secretary determines appropriate, who has at least one year of experience providing and coordinating medical and related services for individuals in their homes; and

"(C) serves as the primary point of contact responsible for communications with the participant and for facilitating communications with other health care providers under the plan.

"(7) INDEPENDENCE AT HOME ORGANIZATION.—The term 'Independence at Home organiza-

tion' means a provider of services, a physician or physician group practice, a nurse practitioner or nurse practitioner group practice which receives payment for services furnished under this title (other than only under this section) and which—

"(A) has entered into an agreement under subsection (a)(2) to provide an Independence at Home program under this section;

"(B)(i) provides all of the services of the Independence at Home plan in a participant's home or place of residence, or

"(ii) if the organization is not able to provide all such services in such home or residence, has adequate mechanisms for ensuring the provision of such services by one or more qualified entities;

"(C) has Independence at Home physicians, clinical nurse specialists, nurse practitioners, or physician assistants available to respond to patient emergencies 24 hours a day, seven days a week;

"(D) accepts all eligible beneficiaries from the organization's service area, as determined under the agreement with the Secretary under

this section, except to the extent that qualified staff are not available; and

"(E) meets other requirements for such an organization under this section.

"(8) INDEPENDENCE AT HOME PHYSICIAN.—The term 'Independence at Home physician' means a physician who—

"(A) is employed by or affiliated with an Independence at Home organization, as required under paragraph (7)(C), or has another contractual relationship with the Independence at Home organization that requires the physician to make in-home visits and to be responsible for the plans of care for the physician's patients;

"(B) is certified—

"(i) by the American Board of Family Physicians, the American Board of Internal Medicine, the American Osteopathic Board of Family Physicians, the American Osteopathic Board of Internal Medicine, the American Board of Emergency Medicine, or the American Board of Physical Medicine and Rehabilitation; or

"(ii) by a Board recognized by the American Board of Medical Specialties and determined by the Secretary to be appropriate for the Independence at Home program;

"(C) has—

"(i) a certification in geriatric medicine as provided by American Board of Medical Specialties; or

"(ii) passed the clinical competency examination of the American Academy of Home Care Physicians and has substantial experience in the delivery of medical care in the home, including at least two years of experience in the management of Medicare patients and one year of experience in home-based medical care including at least 200 house calls; and

"(D) has furnished services during the previous 12 months for which payment is made under this title.

"(9) INDEPENDENCE AT HOME NURSE PRACTITIONER.—The term 'Independence at Home nurse practitioner' means a nurse practitioner who—

"(A) is employed by or affiliated with an Independence at Home organization, as required under paragraph (7)(C), or has another contractual relationship with the Independence at Home organization that requires the nurse practitioner to make in-home visits and to be responsible for the plans of care for the nurse practitioner's patients;

"(B) practices in accordance with State law regarding scope of practice for nurse practitioners;

"(C) is certified—

"(i) as a Gerontologic Nurse Practitioner by the American Academy of Nurse Practitioners Certification Program or the American Nurses Credentialing Center; or

"(ii) as a family nurse practitioner or adult nurse practitioner by the American Academy of Nurse Practitioners Certification Board or the American Nurses Credentialing Center and holds a certificate of Added Qualification in gerontology, elder care or care of the older adult provided by the American Academy of Nurse Practitioners, the American Nurses

Credentialing Center or a national nurse practitioner certification board deemed by the Secretary to be appropriate for an Independence at Home program; and

"(D) has furnished services during the previous 12 months for which payment is made under this title.

"(10) INDEPENDENCE AT HOME PLAN.—The term 'Independence at Home plan' means a plan established under subsection (d)(2) for a specific participant in an Independence at Home program.

"(11) INDEPENDENCE AT HOME PROGRAM.—The term 'Independence at Home program' means a program described in subsection (d) that is operated by an Independence at Home organization.

"(12) PARTICIPANT.—The term 'participant' means an eligible beneficiary who has voluntarily enrolled in an Independence at Home program.

"(13) QUALIFIED ENTITY.—The term 'qualified entity' means a person or organization that is licensed or otherwise legally permitted to provide the specific service (or services) provided under an Independence at Home plan that the entity has agreed to provide.

1 "(14) QUALIFYING FUNCTIONAL IMPAIR-
2 MENT.—The term 'qualifying functional impairment'
3 means an inability to perform, without the assist-
4 ance of another person, two or more activities of
5 daily living.
6 "(15) QUALIFIED INDIVIDUAL.—The term
7 'qualified individual' means a individual that is li-
8 censed or otherwise legally permitted to provide the
9 specific service (or services) under an Independence
10 at Home plan that the individual has agreed to pro-
11 vide.
12 "(c) IDENTIFICATION AND ENROLLMENT OF PRO-
13 SPECTIVE PROGRAM PARTICIPANTS.—
14 "(1) NOTICE TO ELIGIBLE INDEPENDENCE AT
15 HOME BENEFICIARIES.—The Secretary shall develop
16 a model notice to be made available to Medicare
17 beneficiaries (and to their caregivers) who are poten-
18 tially eligible for an Independence at Home program
19 by participating providers and by Independence at
20 Home programs. Such notice shall include the fol-
21 lowing information:
22 "(A) A description of the potential advan-
23 tages to the beneficiary participating in an
24 Independence at Home program.

"(B) A description of the eligibility requirements to participate.

"(C) Notice that participation is voluntary.

"(D) A statement that all other Medicare benefits remain available to beneficiaries who enroll in an Independence at Home program.

"(E) Notice that those who enroll in an Independence at Home program will be responsible for copayments for house calls made by Independence at Home physicians, physician assistants, or by Independence at Home nurse practitioners, except that such copayments may be reduced or eliminated at the discretion of the Independence at Home physician, physician assistant, or Independence at Home nurse practitioner involved in accordance with subsection (f).

"(F) A description of the services that could be provided.

"(G) A description of the method for participating, or withdrawing from participation, in an Independence at Home program or becoming no longer eligible to so participate.

"(2) VOLUNTARY PARTICIPATION AND CHOICE.—An eligible beneficiary may participate in

1 an Independence at Home program through enroll-
2 ment in such program on a voluntary basis and may
3 terminate such participation at any time. Such a
4 beneficiary may also receive Independence at Home
5 services from the Independence at Home organiza-
6 tion of the beneficiary's choice but may not receive
7 Independence at Home services from more than one
8 Independence at Home organization at a time.
9 ''(d) INDEPENDENCE AT HOME PROGRAM REQUIRE-
10 MENTS.—
11 ''(1) IN GENERAL.—Each Independence at
12 Home program shall, for each participant enrolled in
13 the program—
14 ''(A) designate—
15 ''(i) an Independence at Home physi-
16 cian or an Independence at Home nurse
17 practitioner; and
18 ''(ii) an Independence at Home coor-
19 dinator;
20 ''(B) have a process to ensure that the
21 participant received an Independence at Home
22 assessment before enrollment in the program;
23 ''(C) with the participation of the partici-
24 pant (or the participant's representative or
25 caregiver), an Independence at Home physician,

a physician assistant under the supervision of an Independence at Home physician and as permitted under State law, or an Independence at Home nurse practitioner, and the Independence at Home coordinator, develop an Independence at Home plan for the participant in accordance with paragraph (2);

"(D) ensure that the participant receives an Independence at Home assessment at least every 6 months after the original assessment to ensure that the Independence at Home plan for the participant remains current and appropriate;

"(E) implement all of the services under the participant's Independence at Home plan and in instances in which the Independence at Home organization does not provide specific services within the Independence at Home plan, ensure that qualified entities successfully provide those specific services; and

"(F) provide for an electronic medical record and electronic health information technology to coordinate the participant's care and to exchange information with the Medicare program and electronic monitoring and commu-

nication technologies and mobile diagnostic and therapeutic technologies as appropriate and accepted by the participant.

"(2) INDEPENDENCE AT HOME PLAN.—

"(A) IN GENERAL.—An Independence at Home plan for a participant shall be developed with the participant, an Independence at Home physician, a physician assistant under the supervision of an Independence at Home physician and as permitted under State law, an Independence at Home nurse practitioner, or an Independence at Home coordinator, and, if appropriate, one or more of the participant's caregivers and shall—

"(i) document the chronic conditions, co-morbidities, and other health needs identified in the participant's Independence at Home assessment;

"(ii) determine which services under an Independence at Home plan described in subparagraph (C) are appropriate for the participant; and

"(iii) identify the qualified entity responsible for providing each service under such plan.

"(B) COMMUNICATION OF INDIVIDUALIZED INDEPENDENCE AT HOME PLAN TO THE INDEPENDENCE AT HOME COORDINATOR.—If the individual responsible for conducting the participant's Independence at Home assessment and developing the Independence at Home plan is not the participant's Independence at Home coordinator, the Independence at Home physician or Independence at Home nurse practitioner is responsible for ensuring that the participant's Independence at Home coordinator has such plan and is familiar with the requirements of the plan and has the appropriate contact information for all of the members of the Independence at Home care team.

"(C) SERVICES PROVIDED UNDER AN INDEPENDENCE AT HOME PLAN.—An Independence at Home organization shall coordinate and make available through referral to a qualified entity the services described in the following clauses (i) through (iii) to the extent they are needed and covered by under this title and shall provide the care coordination services described in the following clause (iv) to the ex-

tent they are appropriate and accepted by a participant:

"(i) Primary care services, such as physician visits, diagnosis, treatment, and preventive services.

"(ii) Home health services, such as skilled nursing care and physical and occupational therapy.

"(iii) Phlebotomy and ancillary laboratory and imaging services, including point of care laboratory and imaging diagnostics.

"(iv) Care coordination services, consisting of—

"(I) Monitoring and management of medications by a pharmacist who is certified in geriatric pharmacy by the Commission for Certification in Geriatric Pharmacy or possesses other comparable certification demonstrating knowledge and expertise in geriatric pharmacotherapy, as well as assistance to participants and their caregivers with respect to selection of a prescription drug plan under part D

that best meets the needs of the participant's chronic conditions.

"(II) Coordination of all medical treatment furnished to the participant, regardless of whether such treatment is covered and available to the participant under this title.

"(III) Self-care education and preventive care consistent with the participant's condition.

"(IV) Education for primary caregivers and family members.

"(V) Caregiver counseling services and information about, and referral to, other caregiver support and health care services in the community.

"(VI) Referral to social services, such as personal care, meals, volunteers, and individual and family therapy.

"(VII) Information about, and access to, hospice care.

"(VIII) Pain and palliative care and end-of-life care, including information about developing advanced di-

rectives and physicians orders for life sustaining treatment.

"(3) PRIMARY TREATMENT ROLE WITHIN AN INDEPENDENCE AT HOME CARE TEAM.—An Independence at Home physician, a physician assistant under the supervision of an Independence at Home physician and as permitted under State law, or an Independence at Home nurse practitioner may assume the primary treatment role as permitted under State law.

"(4) ADDITIONAL RESPONSIBILITIES.—

"(A) OUTCOMES REPORT.—Each Independence at Home organization offering an Independence at Home program shall monitor and report to the Secretary, in a manner specified by the Secretary, on—

"(i) patient outcomes;

"(ii) beneficiary, caregiver, and provider satisfaction with respect to coordination of the participant's care; and

"(iii) the achievement of mandatory minimum savings described in subsection (e)(6).

"(B) ADDITIONAL REQUIREMENTS.—Each such organization and program shall provide

the Secretary with listings of individuals employed by the organization, including contract employees, and individuals with an ownership interest in the organization and comply with such additional requirements as the Secretary may specify.

"(e) TERMS AND CONDITIONS.—

"(1) IN GENERAL.—An agreement under this section with an Independence at Home organization shall contain such terms and conditions as the Secretary may specify consistent with this section.

"(2) CLINICAL, QUALITY IMPROVEMENT, AND FINANCIAL REQUIREMENTS.—The Secretary may not enter into an agreement with such an organization under this section for the operation of an Independence at Home program unless—

"(A) the program and organization meet the requirements of subsection (d), minimum quality and performance standards developed under paragraph (3), and such clinical, quality improvement, financial, program integrity, and other requirements as the Secretary deems to be appropriate for participants to be served; and

"(B) the organization demonstrates to the satisfaction of the Secretary that the organization is able to assume financial risk for performance under the agreement with respect to payments made to the organization under such agreement through available reserves, reinsurance, or withholding of funding provided under this title, or such other means as the Secretary determines appropriate.

"(3) MINIMUM QUALITY AND PERFORMANCE STANDARDS.—

"(A) IN GENERAL.—The Secretary shall develop mandatory minimum quality and performance standards for Independence at Home organizations and programs.

"(B) STANDARDS TO BE INCLUDED.—Such standards shall include measures of—

"(i) improvement in participant outcomes;

"(ii) improvement in satisfaction of the beneficiary, caregiver, and provider involved; and

"(iii) cost savings consistent with paragraph (6).

"(C) MINIMUM PARTICIPATION STANDARD.—Such standards shall include a requirement that, for any year after the first year and except as the Secretary may provide for a program serving a rural area, an Independence at Home program had an average number of participants during the previous year of at least 100 participants.

"(4) TERM OF AGREEMENT AND MODIFICATION.—The agreement under this subsection shall be, subject to paragraphs (3)(C) and (5), for a period of three years, and the terms and conditions may be modified during the contract period by the Secretary as necessary to serve the best interest of the beneficiaries under this title or the best interest of Federal health care programs or upon the request of the Independence at Home organization.

"(5) TERMINATION AND NON-RENEWAL OF AGREEMENT.—

"(A) IN GENERAL.—If the Secretary determines that an Independence at Home organization has failed to meet the minimum performance standards under paragraph (3) or other requirements under this section, or if the Secretary deems it necessary to serve the best in-

terest of the beneficiaries under this title or the best interest of Federal health care programs, the Secretary may terminate the agreement of the organization at the end of the contract year.

"(B) REQUIRED TERMINATION WHERE RISK TO HEALTH OR SAFETY OF A PARTICIPANT.—The Secretary shall terminate an agreement with an Independence at Home organization at any time the Secretary determines that the care being provided by such organization poses a threat to the health and safety of a participant.

"(C) TERMINATION BY INDEPENDENCE AT HOME ORGANIZATIONS.—Notwithstanding any other provision of this subsection, an Independence at Home organization may terminate an agreement with the Secretary under this section to provide an Independence at Home program at the end of a contract year if the organization provides to the Secretary and to the beneficiaries participating in the program notification of such termination more than 90 days before the end of such year. Paragraphs (6), (8), and (9)(B) shall apply to the organization until the date of termination.

"(D) NOTICE OF INVOLUNTARY TERMINATION.—The Secretary shall notify the participants in an Independence at Home program as soon as practicable if a determination is made to terminate an agreement with the Independence at Home organization involuntarily as provided in subparagraphs (A) and (B). Such notice shall inform the beneficiary of any other Independence at Home organizations that might be available to the beneficiary.

"(6) MANDATORY MINIMUM SAVINGS.—

"(A) REQUIRED.—

"(i) IN GENERAL.—Under an agreement under this subsection, each Independence at Home organization shall ensure that during any year of the agreement for its Independence at Home program, there is an aggregate savings in the cost to the program under this title for participating beneficiaries, as calculated under subparagraph (B), that is not less than 5 percent of the product described in clause (ii) for such participating beneficiaries and year.

1 "(ii) PRODUCT DESCRIBED.—The
2 product described in this clause for partici-
3 pating beneficiaries in an Independence at
4 Home program for a year is the product
5 of—
6 "(I) the estimated average
7 monthly costs that would have been
8 incurred under parts A and B (and,
9 to the extent cost information is avail-
10 able, part D) if those beneficiaries had
11 not participated in the Independence
12 at Home program; and
13 "(II) the number of participant-
14 months for that year.
15 "(B) COMPUTATION OF AGGREGATE SAV-
16 INGS.—
17 "(i) MODEL FOR CALCULATING SAV-
18 INGS.—The Secretary shall contract with a
19 nongovernmental organization or academic
20 institution to independently develop an an-
21 alytical model for determining whether an
22 Independence at Home program achieves
23 at least savings required under subpara-
24 graph (A) relative to costs that would have
25 been incurred by Medicare in the absence

of Independence at Home programs. The analytical model developed by the independent research organization for making these determinations shall utilize state-of-the-art econometric techniques, such as Heckman's selection correction methodologies, to account for sample selection bias, omitted variable bias, or problems with endogeneity.

"(ii) APPLICATION OF THE MODEL.—Using the model developed under clause (i), the Secretary shall compare the actual costs to Medicare of beneficiaries participating in an Independence at Home program to the predicted costs to Medicare of such beneficiaries to determine whether an Independence at Home program achieves the savings required under subparagraph (A).

"(iii) REVISIONS OF THE MODEL.—The Secretary shall require that the model developed under clause (i) for determining savings shall be designed according to instructions that will control, or adjust for, inflation as well as risk factors including,

1 age, race, gender, disability status, socio-
2 economic status, region of country (such as
3 State, county, metropolitan statistical area,
4 or zip code), and such other factors as the
5 Secretary determines to be appropriate, in-
6 cluding adjustment for prior health care
7 utilization. The Secretary may add to,
8 modify, or substitute for such adjustment
9 factors if such changes will improve the
10 sensitivity or specificity of the calculation
11 of costs savings.

12 ''(iv) PARTICIPANT-MONTH.—In mak-
13 ing the calculation described in subpara-
14 graph (A), each month or part of a month
15 in a program year that a beneficiary par-
16 ticipates in an Independence at Home pro-
17 gram shall be counted as a 'participant-
18 month'.

19 ''(C) NOTICE OF SAVINGS CALCULATION.—
20 No later than 30 days before the beginning of
21 the first year of the pilot project under this sec-
22 tion and 120 days before the beginning of any
23 Independence at Home program year after the
24 first such year, the Secretary shall publish in
25 the Federal Register a description of the model

developed under subparagraph (B)(i) and information for calculating savings required under subparagraph (A), including any revisions, sufficient to permit Independence at Home organizations to determine the savings they will be required to achieve during the program year to meet the savings requirement under subparagraph (A). In order to facilitate this notice, the Secretary may designate a single annual date for the beginning of all Independence at Home program years that shall not be later than one year from the date of enactment of this section.

"(7) MANNER OF PAYMENT.—Subject to paragraph (8), payments shall be made by the Secretary to an Independence at Home organization at a rate negotiated between the Secretary and the organization under the agreement for—

"(A) Independence at Home assessments; and

"(B) on a per-participant, per-month basis for the items and services required to be provided or made available under subsection (d)(2)(C)(iv).

"(8) ENSURING MANDATORY MINIMUM SAVINGS.—The Secretary shall require any Independ-

ence at Home organization that fails in any year to achieve the mandatory minimum savings described in paragraph (6) to provide those savings by refunding payments made to the organization under paragraph (7) during such year.

"(9) BUDGET NEUTRAL PAYMENT CONDITION.—

"(A) IN GENERAL.—Under this section, the Secretary shall ensure that the cumulative, aggregate sum of Medicare program benefit expenditures under parts A, B, and D for participants in Independence at Home programs and funds paid to Independence at Home organizations under this section, shall not exceed the Medicare program benefit expenditures under such parts that the Secretary estimates would have been made for such participants in the absence of such programs.

"(B) TREATMENT OF SAVINGS.—

"(i) INITIAL IMPLEMENTATION PHASE.—If an Independence at Home organization achieves aggregate savings in a year in the initial implementation phase in excess of the mandatory minimum savings described in paragraph (6)(A)(ii), 80 per-

cent of such aggregate savings shall be paid to the organization and the remainder shall be retained by the programs under this title during the initial implementation phase.

"(ii) EXPANDED IMPLEMENTATION PHASE.—If an Independence at Home organization achieves aggregate savings in a year in the expanded implementation phase in excess of 5 percent of the product described in paragraph (6)(A)(ii)—

"(I) insofar as such savings do not exceed 25 percent of such product, 80 percent of such aggregate savings shall be paid to the organization and the remainder shall be retained by the programs under this title; and

"(II) insofar as such savings exceed 25 percent of such product, in the Secretary's discretion, 50 percent of such excess aggregate savings shall be paid to the organization and the remainder shall be retained by the programs under this title.

"(f) WAIVER OF COINSURANCE FOR HOUSE CALLS.—A physician, physician assistant, or nurse practitioner furnishing services related to the Independence at Home program in the home or residence of a participant in an Independence at Home program may waive collection of any coinsurance that might otherwise be payable under section 1833(a) with respect to such services but only if the conditions described in section 1128A(i)(6)(A) are met.

"(g) REPORT.—Not later than three months after the date of receipt of the independent evaluation provided under subsection (a)(5) and each year thereafter during which this section is being implemented, the Secretary shall submit to the Committees of jurisdiction in Congress a report that shall include—

"(1) whether the Independence at Home programs under this section are meeting the minimum quality and performance standards in (e)(3);

"(2) a comparative evaluation of Independence at Home organizations in order to identify which programs, and characteristics of those programs, were the most effective in producing the best participant outcomes, patient and caregiver satisfaction, and cost savings; and

1 "(3) an evaluation of whether the participant
2 eligibility criteria identified beneficiaries who were in
3 the top ten percent of the highest cost Medicare
4 beneficiaries.".

5 (b) CONFORMING AMENDMENT.—Section 1833(a) of
6 such Act (42 U.S.C. 1395l(a)) is amended, in the matter
7 before paragraph (1), by inserting "and section 1807A(f)"
8 after "section 1876".

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