

105TH CONGRESS  
2D SESSION

# H. R. 4591

To amend title XVIII of the Social Security Act to provide for home health case manager services under the Medicare Program.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 1998

Mr. STARK (for himself and Mr. CARDIN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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

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## A BILL

To amend title XVIII of the Social Security Act to provide for home health case manager services under the Medicare Program.

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; FINDINGS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “Medicare Home Health Case Manager Act of 1998”.

6       (b) **FINDINGS.**—The Congress finds as follows:

7               (1) A Medicare beneficiary experiencing a se-  
8       vere or chronic illness faces a bewildering array of

1 home health and post-acute care hospital services at  
2 a time in life when the Medicare beneficiary is least  
3 able to “manage” the choices, especially for bene-  
4 ficiaries who do not have family members to help  
5 them consider the choices.

6 (2) Such a Medicare beneficiary may be un-  
7 aware of the financial relationships between institu-  
8 tions and agencies which may cause the patient to  
9 be referred for home health services that are unnec-  
10 essary or not furnished in the most appropriate set-  
11 ting.

12 (3) Medicare fee-for-service does not currently  
13 have a system in which a physician or other health  
14 care provider is encouraged to guide the patient  
15 through this maze of services and help ensure that  
16 choices are made that maximize benefits while mini-  
17 mizing costs.

18 (4) Chronically ill medicare patients need an  
19 independent ombudsman to help develop a plan of  
20 care and to periodically adjust the plan for the sole  
21 benefit of the patient and the patient’s family.

1 **SEC. 2. ESTABLISHMENT OF MEDICARE HOME HEALTH**  
2 **CARE CASE MANAGERS FOR LONG TERM**  
3 **HOME HEALTH SPELLS OF ILLNESS.**

4 (a) REQUIREMENT FOR CASE MANAGEMENT PLAN  
5 FOR BENEFICIARIES REQUIRING EXTENDED HOME  
6 HEALTH SERVICES.—

7 (1) IN GENERAL.—Section 1861(m) of the So-  
8 cial Security Act (42 U.S.C. 1395x(m)) is amended,  
9 in the matter preceding paragraph (1), by inserting  
10 after “under a plan (for furnishing such items and  
11 services to such individual) established and periodi-  
12 cally reviewed by a physician” the following: “and,  
13 in the case of such services furnished (or likely to  
14 be required to be furnished) for an extended period  
15 (as defined by the Secretary in regulations), under  
16 a home health case management plan (as defined in  
17 subsection (uu)(2)) established by a home health  
18 case manager (as defined in subsection (uu)(1)) in  
19 consultation with the physician and, if available, the  
20 family of the individual”.

21 (2) DEFINITIONS.—Section 1861 of such Act  
22 (42 U.S.C. 1395x) is amended by adding at the end  
23 the following new subsection:

1 “Home Health Case Manager

2 “(uu)(1) The term ‘home health case manager’  
3 means a public agency or private organization (or a sub-  
4 division thereof) that—

5 “(A) develops, coordinates, and monitors the  
6 delivery of home health services by home health  
7 agencies to an individual;

8 “(B) has experience and expertise in the fur-  
9 nishing of home health services; and

10 “(C) meets such other standards as the Sec-  
11 retary finds necessary for the effective and efficient  
12 development and oversight of home health case man-  
13 agement plans and to ensure the health and safety  
14 of individuals furnished services under such a plan.

15 “(2) The term ‘home health case management plan’  
16 means a structured plan for the delivery of home health  
17 services that is developed by a home health case manager,  
18 after consultation with the physician and, if available, the  
19 family of the individual involved.

20 “(3) The term ‘home health case manager services’  
21 means the development, coordination, and monitoring of  
22 a home health case management plan for an individual  
23 furnished (or likely to be required to be furnished) home  
24 health services for an extended period (as defined by the

1 Secretary in regulations under subsection (m)) and in-  
2 cludes the periodic review of such a plan.”.

3 (3) GUIDANCE ON INITIATION OF CASE MAN-  
4 AGER SERVICES.—The Secretary of Health and  
5 Human Services shall provide guidance on the proc-  
6 ess or processes that may be used to identify Medi-  
7 care beneficiaries requiring home health services for  
8 extended periods and to develop home health case  
9 management plans on a timely basis.

10 (4) LIMITATION ON REFERRALS.—Section 1877  
11 of the Social Security Act (42 U.S.C. 1395nn) shall  
12 apply to a referral by a home health case manager  
13 to a home health agency in the same manner as  
14 such section applies to a referral by a physician to  
15 an entity described in section 1877(a)(2) of such  
16 Act.

17 (b) COVERAGE OF AND PAYMENT FOR HOME  
18 HEALTH CASE MANAGER SERVICES.—

19 (1) PART A.—

20 (A) COVERAGE.—Section 1812(a)(3) of  
21 such Act (42 U.S.C. 1395d(a)(3)) is amended  
22 by inserting before the semicolon “, and home  
23 health case manager services (as defined in sec-  
24 tion 1861(uu)(3))”.

1 (B) ELIGIBILITY.—Section 1814(a)(2)(C)  
2 of such Act (42 U.S.C. 1395f(a)(2)(C)) is  
3 amended by inserting “and, in the case of such  
4 services furnished for an extended period (as  
5 defined by the Secretary under section  
6 1861(m)), under a home health case manage-  
7 ment plan that has been established and peri-  
8 odically reviewed by a home health case man-  
9 ager” after “is periodically reviewed by a physi-  
10 cian”.

11 (C) PAYMENT.—Section 1812 of such Act  
12 (42 U.S.C. 1395d) is amended by adding at the  
13 end the following new subsection:

14 “(h)(1) Payment under this part for home health  
15 case manager services (as defined in section 1861(uu)(3))  
16 shall be made pursuant to the fee schedule established by  
17 the Secretary under section 1834(m).

18 “(2)(A) Payment may be made under this title for  
19 home health case manager services in the case of an indi-  
20 vidual only—

21 “(i) for the initial development of the home  
22 health case management plan for the individual, and  
23 “(ii) for the subsequent review and modification  
24 of such plan, as provided by the Secretary in regula-  
25 tions.”.

1 (2) COVERAGE UNDER PART B.—

2 (A) IN GENERAL.—Section 1832(a)(2)(A)  
 3 of such Act (42 U.S.C. 1395k(a)(2)(A)) is  
 4 amended by inserting before the semicolon “,  
 5 and home health case manager services (as de-  
 6 fined in section 1861(uu)(3))”.

7 (B) ELIGIBILITY.—Section 1835(a)(2) of  
 8 such Act (42 U.S.C. 1395n(a)(2)) is amended  
 9 by inserting “and, in the case of such services  
 10 furnished for an extended period (as defined by  
 11 the Secretary under section 1861(m)), under a  
 12 home health case management plan that has  
 13 been established and periodically reviewed by a  
 14 home health case manager” after “is periodi-  
 15 cally reviewed by a physician”.

16 (C) PAYMENT.—Section 1833 of such Act  
 17 (42 U.S.C. 1395l) is amended—

18 (i) in subsection (a)(2)—

19 (I) by striking “and” at the end  
 20 of subparagraph (F);

21 (II) by adding “and” at the end  
 22 of subparagraph (G); and

23 (III) by adding after subpara-  
 24 graph (G) the following new subpara-  
 25 graph:

1 “(H) subject to subsection (u), with re-  
 2 spect to home health case manager services (as  
 3 defined in section 1861(uu)(3), the amount de-  
 4 termined under the fee schedule established  
 5 under section 1834(m);”, and

6 (ii) by adding at the end the following  
 7 new subsection:

8 “(u)(1) Payment may be made under this title for  
 9 home health case manager services in the case of an indi-  
 10 vidual only—

11 “(A) for the initial development of the home  
 12 health case management plan for the individual, and

13 “(B) for the subsequent review and modifica-  
 14 tion of such plan, as provided by the Secretary in  
 15 regulations.”.

16 (3) ESTABLISHMENT OF FEE SCHEDULE.—

17 Section 1834 of such Act (42 U.S.C. 1395m) is  
 18 amended by adding at the end the following new sec-  
 19 tion:

20 “(m) ESTABLISHMENT OF FEE SCHEDULE FOR  
 21 HOME HEALTH CASE MANAGER SERVICES.—

22 “(1) IN GENERAL.—The Secretary shall estab-  
 23 lish a fee schedule for payment for home health case  
 24 manager services. Such schedule may provide for  
 25 rates that differ for such services that comprise the



1 establishment of a home health case management  
2 plan and that comprise review and modification of  
3 such a plan.

4 “(2) CONSIDERATIONS.—In establishing such  
5 fee schedule, the Secretary shall consider appro-  
6 priate regional and operational differences and ad-  
7 justments to payment rates to account for inflation  
8 and other relevant factors.

9 “(3) CONSULTATION.—In establishing the fee  
10 schedule for home health case manager services  
11 under this subsection, the Secretary shall consult  
12 with appropriate organizations representing individ-  
13 uals and entities who furnish referral services for  
14 home health services and share with such organiza-  
15 tions relevant data in establishing such schedule.”.

16 (c) EFFECTIVE DATES.—

17 (1) REQUIREMENT OF CASE MANAGEMENT  
18 PLAN.—The amendment made by subsection (a)(1)  
19 applies with respect to home health services fur-  
20 nished on or after October 1, 2000.

21 (2) PAYMENT FOR CASE MANAGER SERVICES.—  
22 The amendments made by subsection (b) apply to  
23 home health case manager services furnished on or  
24 after 6 months before the effective date specified in  
25 paragraph (1).

1 **SEC. 3. REPORT TO CONGRESS ON FEASIBILITY OF CASE**  
2 **MANAGERS WITH RESPECT TO OTHER MEDI-**  
3 **CARE SERVICES.**

4 (a) STUDY.—The Secretary of Health and Human  
5 Services shall conduct a study of the types of services con-  
6 sisting of post-acute hospital care furnished under the  
7 Medicare program under title XVIII of the Social Security  
8 Act to determine whether use of case managers and case  
9 management plans similar to home health case managers  
10 (as defined in section 1861(uu)(1)) and home health case  
11 management plans (as defined in section 1861(uu)(2)) is  
12 feasible and appropriate for each such type of service. In  
13 conducting the study, the Secretary shall also determine  
14 whether such case managers and case management plans  
15 may improve quality of care and patient outcomes under  
16 the medicare program, may result in cost savings to the  
17 program, and may reduce incidents of waste, fraud and  
18 abuse against the program.

19 (b) REPORT.—Not later than January 1, 2001, the  
20 Secretary shall submit to Congress a report containing the  
21 determinations made pursuant to the study conducted  
22 under subsection (a) and any recommendations for legisla-  
23 tive and administrative action the Secretary deems appro-  
24 priate.

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