

108TH CONGRESS  
1ST SESSION

# H. R. 1195

To amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to carry out a demonstration program under the Medicare Program to examine the clinical and cost effectiveness of providing medical adult day care center services to Medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2003

Mr. LEWIS of Kentucky introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 direct the Secretary of Health and Human Services to carry out a demonstration program under the Medicare Program to examine the clinical and cost effectiveness of providing medical adult day care center services to Medicare beneficiaries.

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

1 **SECTION. 1. DEMONSTRATION PROJECT FOR MEDICAL**  
2 **ADULT DAY CARE SERVICES.**

3 (a) ESTABLISHMENT.—Subject to the succeeding  
4 provisions of this section, the Secretary of Health and  
5 Human Services shall establish a demonstration project  
6 (in this section referred to as the “demonstration project”)  
7 under which the Secretary shall, as part of a plan of an  
8 episode of care for home health services established for  
9 a medicare beneficiary, permit a home health agency, di-  
10 rectly or under arrangements with a medical adult day  
11 care facility, to provide medical adult day care services as  
12 a substitute for a portion of home health services that  
13 would otherwise be provided in the beneficiary’s home.

14 (b) PAYMENT.—

15 (1) IN GENERAL.—The amount of payment for  
16 an episode of care for home health services, a por-  
17 tion of which consists of substitute medical adult  
18 day care services, under the demonstration project  
19 shall be made at a rate equal to 95 percent of the  
20 amount that would otherwise apply for such home  
21 health services under section 1895 of the Social Se-  
22 curity Act (42 U.S.C. 1395fff). In no case may a  
23 home health agency, or a medical adult day care fa-  
24 cility under arrangements with a home health agen-  
25 cy, separately charge a beneficiary for medical adult  
26 day care services furnished under the plan of care.

10 (c) DEMONSTRATION PROJECT SITES.—The project  
11 established under this section shall be conducted in not  
12 more than 5 States selected by the Secretary that license  
13 or certify providers of services that furnish medical adult  
14 day care services.

15 (d) DURATION.—The Secretary shall conduct the  
16 demonstration project for a period of 3 years.

17 (e) VOLUNTARY PARTICIPATION.—Participation of  
18 medicare beneficiaries in the demonstration project shall  
19 be voluntary. The total number of such beneficiaries that  
20 may participate in the project at any given time may not  
21 exceed 15,000.

22 (f) PREFERENCE IN SELECTING AGENCIES.—In se-  
23 lecting home health agencies to participate under the dem-  
24 onstration project, the Secretary shall give preference to  
25 those agencies that are currently licensed or certified

1 through common ownership and control to furnish medical  
2 adult day care services.

3 (g) WAIVER AUTHORITY.—The Secretary may waive  
4 such requirements of title XVIII of the Social Security Act  
5 as may be necessary for the purposes of carrying out the  
6 demonstration project, other than waiving the requirement  
7 that an individual be homebound in order to be eligible  
8 for benefits for home health services.

9 (h) EVALUATION AND REPORT.—The Secretary shall  
10 conduct an evaluation of the clinical and cost effectiveness  
11 of the demonstration project. Not later 30 months after  
12 the commencement of the project, the Secretary shall sub-  
13 mit to Congress a report on the evaluation, and shall in-  
14 clude in the report the following:

15 (1) An analysis of the patient outcomes and  
16 costs of furnishing care to the medicare beneficiaries  
17 participating in the project as compared to such out-  
18 comes and costs to beneficiaries receiving only home  
19 health services for the same health conditions.

20 (2) Such recommendations regarding the exten-  
21 sion, expansion, or termination of the project as the  
22 Secretary determines appropriate.

23 (i) DEFINITIONS.—In this section:

24 (1) HOME HEALTH AGENCY.—The term “home  
25 health agency” has the meaning given such term in

1       section 1861(o) of the Social Security Act (42  
2       U.S.C. 1395x(o)).

3                   (2) MEDICAL ADULT DAY CARE FACILITY.—The  
4       term “medical adult day care facility” means a facil-  
5       ity that—

6                   (A) has been licensed or certified by a  
7       State to furnish medical adult day care services  
8       in the State for a continuous 2-year period;

9                   (B) is engaged in providing skilled nursing  
10       services and other therapeutic services directly  
11       or under arrangement with a home health agen-  
12       cy;

13                   (C) meets such standards established by  
14       the Secretary to assure quality of care and such  
15       other requirements as the Secretary finds nec-  
16       essary in the interest of the health and safety  
17       of individuals who are furnished services in the  
18       facility; and

19                   (D) provides medical adult day care serv-  
20       ices.

21                   (3) MEDICAL ADULT DAY CARE SERVICES.—

22       The term “medical adult day care services” means—

23                   (A) home health service items and services  
24       described in paragraphs (1) through (7) of sec-

(B) a program of supervised activities furnished in a group setting in the facility that—

5 (i) is designed to promote physical  
6 and mental health of the individuals; and

9 (C) such other services as the Secretary

10 may specify.

11 (4) MEDICARE BENEFICIARY.—The term  
12 “medicare beneficiary” means an individual entitled  
13 to benefits under part A of this title, enrolled under  
14 part B of this title, or both.