

110TH CONGRESS  
1ST SESSION

# S. 321

To establish pilot projects under the Medicare program to provide incentives for home health agencies to utilize home monitoring and communications technologies.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 17, 2007

Mr. THUNE (for himself and Ms. KLOBUCHAR) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To establish pilot projects under the Medicare program to provide incentives for home health agencies to utilize home monitoring and communications technologies.

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 “Fostering Independ-  
5 ence Through Technology Act of 2007”.

6 **SEC. 2. REMOTE MONITORING PILOT PROJECTS.**

7 (a) PILOT PROJECTS.—

8 (1) IN GENERAL.—Not later than 9 months  
9 after the date of enactment of this Act, the Sec-

1       retary of Health and Human Services (in this sec-  
 2       tion referred to as the “Secretary”) shall conduct  
 3       pilot projects under title XVIII of the Social Secu-  
 4       rity Act for the purpose of providing incentives to  
 5       home health agencies to utilize home monitoring and  
 6       communications technologies that—

7               (A) enhance health outcomes for medicare  
 8       beneficiaries; and

9               (B) reduce expenditures under such title.

10       (2) SITE REQUIREMENTS.—

11           (A) URBAN AND RURAL.—The Secretary  
 12       shall conduct the pilot projects under this sec-  
 13       tion in both urban and rural areas.

14           (B) SITE IN A SMALL STATE.—The Sec-  
 15       retary shall conduct at least 1 of the pilot  
 16       projects in a State with a population of less  
 17       than 1,000,000.

18       (3) DEFINITION OF HOME HEALTH AGENCY.—

19       In this section, the term “home health agency” has  
 20       the meaning given that term in section 1861(o) of  
 21       the Social Security Act (42 U.S.C. 1395x(o)).

22       (b) MEDICARE BENEFICIARIES WITHIN THE SCOPE  
 23       OF PROJECTS.—The Secretary shall specify the criteria  
 24       for identifying those medicare beneficiaries who shall be  
 25       considered within the scope of the pilot projects under this

1 section for purposes of the application of subsection (c)  
2 and for the assessment of the effectiveness of the home  
3 health agency in achieving the objectives of this section.  
4 Such criteria may provide for the inclusion in the projects  
5 of medicare beneficiaries who begin receiving home health  
6 services under title XVIII of the Social Security Act after  
7 the date of the implementation of the projects.

8 (c) INCENTIVES.—

9 (1) PERFORMANCE TARGETS.—The Secretary  
10 shall establish for each home health agency partici-  
11 pating in a pilot project under this section a per-  
12 formance target using one of the following meth-  
13 odologies, as determined appropriate by the Sec-  
14 retary:

15 (A) ADJUSTED HISTORICAL PERFORMANCE  
16 TARGET.—The Secretary shall establish for the  
17 agency—

18 (i) a base expenditure amount equal  
19 to the average total payments made to the  
20 agency under parts A and B of title XVIII  
21 of the Social Security Act for medicare  
22 beneficiaries determined to be within the  
23 scope of the pilot project in a base period  
24 determined by the Secretary; and

1 (ii) an annual per capita expenditure  
2 target for such beneficiaries, reflecting the  
3 base expenditure amount adjusted for risk  
4 and adjusted growth rates.

5 (B) COMPARATIVE PERFORMANCE TAR-  
6 GET.—The Secretary shall establish for the  
7 agency a comparative performance target equal  
8 to the average total payments under such parts  
9 A and B during the pilot project for comparable  
10 individuals in the same geographic area that  
11 are not determined to be within the scope of the  
12 pilot project.

13 (2) INCENTIVE.—Subject to paragraph (3), the  
14 Secretary shall pay to each participating home care  
15 agency an incentive payment for each year under the  
16 pilot project equal to a portion of the medicare sav-  
17 ings realized for such year relative to the perform-  
18 ance target under paragraph (1).

19 (3) LIMITATION ON EXPENDITURES.—The Sec-  
20 retary shall limit incentive payments under this sec-  
21 tion in order to ensure that the aggregate expendi-  
22 tures under title XVIII of the Social Security Act  
23 (including incentive payments under this subsection)  
24 do not exceed the amount that the Secretary esti-

1       mates would have been expended if the pilot projects  
2       under this section had not been implemented.

3       (d) **WAIVER AUTHORITY.**—The Secretary may waive  
4 such provisions of titles XI and XVIII of the Social Secu-  
5 rity Act as the Secretary determines to be appropriate for  
6 the conduct of the pilot projects under this section.

7       (e) **REPORT TO CONGRESS.**—Not later than 5 years  
8 after the date that the first pilot project under this section  
9 is implemented, the Secretary shall submit to Congress a  
10 report on the pilot projects. Such report shall contain a  
11 detailed description of issues related to the expansion of  
12 the projects under subsection (f) and recommendations for  
13 such legislation and administrative actions as the Sec-  
14 retary considers appropriate.

15       (f) **EXPANSION.**—If the Secretary determines that  
16 any of the pilot projects under this section enhance health  
17 outcomes for medicare beneficiaries and reduce expendi-  
18 tures under title XVIII of the Social Security Act, the Sec-  
19 retary may initiate comparable projects in additional  
20 areas.

21       (g) **INCENTIVE PAYMENTS HAVE NO EFFECT ON**  
22 **OTHER MEDICARE PAYMENTS TO AGENCIES.**—An incen-  
23 tive payment under this section—

24               (1) shall be in addition to the payments that a  
25       home health agency would otherwise receive under

1 title XVIII of the Social Security Act for the provi-  
2 sion of home health services; and

3 (2) shall have no effect on the amount of such  
4 payments.

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