

110TH CONGRESS  
2D SESSION

# S. 3613

To amend title XVIII of the Social Security Act to provide certain high cost Medicare beneficiaries suffering from multiple chronic conditions with access to Independence at Home services in lower cost treatment settings, such as their residences, under a plan of care developed by an Independence at Home physician or Independence at Home nurse practitioner.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 17), 2008

Mr. WYDEN (for himself, Ms. MIKULSKI, 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 Independence at Home services in lower cost treatment settings, such as their residences, under a plan of care developed by an Independence at Home physician or Independence at Home nurse practitioner.

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. SHORT TITLE.**

2       This Act may be cited as the “Independence at Home  
3 Act of 2008”.

4 **SEC. 2. FINDINGS.**

5       Congress makes the following findings:

6           (1) According to the November 2007 Congres-  
7 sional Budget Office Long Term Outlook for Health  
8 Care Spending, unless changes are made to the way  
9 health care is delivered, growing demand for re-  
10 sources caused by rising health care costs and to a  
11 lesser extent the Nation’s expanding elderly popu-  
12 lation will confront Americans with increasingly dif-  
13 ficult choices between health care and other prior-  
14 ities. However, opportunities exist to constrain  
15 health care costs without adverse health care con-  
16 sequences.

17           (2) Medicare beneficiaries with multiple chronic  
18 conditions account for a disproportionate share of  
19 Medicare spending compared to their representation  
20 in the overall Medicare population, and evidence sug-  
21 gests that such patients often receive poorly coordi-  
22 nated care, including conflicting information from  
23 health providers and different diagnoses of the same  
24 symptoms.

25           (3) People with chronic conditions account for  
26 76 percent of all hospital admissions, 88 percent of

1 all prescriptions filled, and 72 percent of physician  
2 visits.

3 (4) More than 60 percent of physicians treating  
4 patients with chronic conditions believe that their  
5 training did not adequately prepare them to coordi-  
6 nate in-home and community services; educate pa-  
7 tients with chronic conditions; manage the psycho-  
8 logical and social aspects of chronic care; provide ef-  
9 fective nutritional guidance; and manage chronic  
10 pain.

11 (5) Recent studies cited by the Congressional  
12 Budget Office found substantial differences among  
13 regions of the country in the cost to Medicare of  
14 treating beneficiaries with multiple chronic condi-  
15 tions with lower cost regions experiencing better out-  
16 comes and lower mortality rates. These studies have  
17 suggested that Medicare spending could be reduced  
18 by 30 percent if more conservative practice styles  
19 were adopted, however, the current Medicare fee-for-  
20 service program creates incentives to provide frag-  
21 mented, high cost health care services.

22 (6) Studies show that hospital utilization and  
23 emergency room visits for patients with multiple  
24 chronic conditions can be reduced and significant  
25 savings can be achieved through the use of inter-

1 disciplinary teams of health care professionals caring  
2 for patients in their places of residence.

3 (7) The Independence at Home program, de-  
4 signed to fund better health care and improved  
5 health care technology through savings it achieves,  
6 uses a patient-centered health care delivery model to  
7 permit the growing number of Medicare beneficiaries  
8 with multiple chronic conditions to remain as inde-  
9 pendent as possible for as long as possible and to re-  
10 ceive care in a setting that is preferred by the bene-  
11 ficiary involved and the family of such beneficiary.

12 (8) The Independence at Home program begins  
13 Medicare reform by creating incentives for practi-  
14 tioners and providers to develop methods and tech-  
15 nologies for providing better and lower cost health  
16 care to the highest cost Medicare beneficiaries with  
17 the greatest incentives provided in the case of high-  
18 est cost beneficiaries.

19 (9) The Independence at Home program incor-  
20 porates lessons learned from prior demonstration  
21 projects and phase I of the Voluntary Chronic Care  
22 Improvement program under section 1807 of the So-  
23 cial Security Act, enacted in sections 721 and 722  
24 of the Medicare Prescription Drug, Improvement

1 and Modernization Act of 2003 (Public Law 108–  
2 173).

3 (10) The Independence at Home Act provides  
4 for a chronic care coordination demonstration for  
5 the highest cost Medicare beneficiaries with multiple  
6 chronic conditions that holds providers accountable  
7 for quality outcomes, patient satisfaction, and man-  
8 datory minimum savings on an annual basis.

9 (11) The Independence at Home Act generates  
10 savings by providing better, more coordinated care  
11 to the highest cost Medicare beneficiaries with mul-  
12 tiple chronic conditions, reducing duplicative and un-  
13 necessary services, and avoiding unnecessary hos-  
14 pitalizations and emergency room visits.

15 **SEC. 3. ESTABLISHMENT OF VOLUNTARY INDEPENDENCE**

16 **AT HOME CHRONIC CARE COORDINATION**  
17 **DEMONSTRATION PROJECT UNDER TRADI-**  
18 **TIONAL MEDICARE FEE-FOR-SERVICE PRO-**  
19 **GRAM.**

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

22 (1) by amending subsection (c) of section 1807  
23 (42 U.S.C. 1395b–8) to read as follows:

24 “(c) INDEPENDENCE AT HOME CHRONIC CARE Co-  
25 ORDINATION DEMONSTRATION PROJECT.—A demonstra-

1 tion project for Independence at Home chronic care co-  
 2 ordination programs for high cost Medicare beneficiaries  
 3 with multiple chronic conditions is set forth in section  
 4 1807A.”; and

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

7 “INDEPENDENCE AT HOME CHRONIC CARE  
 8 COORDINATION DEMONSTRATION PROJECT

9 “SEC. 1807A. (a) IN GENERAL.—

10 “(1) IMPLEMENTATION.—The Secretary shall,  
 11 where possible, enter into agreements with at least  
 12 two unaffiliated Independence at Home organiza-  
 13 tions, as described in this section, to provide chronic  
 14 care coordination services for a period of three years  
 15 in each of the 13 highest cost States and the Dis-  
 16 trict of Columbia and in 13 additional States that  
 17 are representative of other regions of the United  
 18 States. Such organizations shall have documented  
 19 experience in furnishing the types of services covered  
 20 by this section to eligible beneficiaries in non-institu-  
 21 tional settings using qualified teams of health care  
 22 professionals that are directed by Independence at  
 23 Home physicians or Independence at Home nurse  
 24 practitioners and that use health information tech-  
 25 nology and individualized plans of care.

1           “(2) ELIGIBILITY.—Any organization shall be  
2           eligible for an Independence at Home agreement in  
3           the developmental phase if it is an Independence at  
4           Home organization (as defined in subsection (b)(7))  
5           and has the demonstrated capacity to provide the  
6           services covered under this section to the number of  
7           eligible beneficiaries specified in subsection  
8           (e)(3)(C). No organization shall be prohibited from  
9           participating because of its small size as long as it  
10          meets the eligibility requirements of this section.

11          “(3) INDEPENDENT EVALUATION.—The Sec-  
12          retary shall contract for an independent evaluation  
13          of the Independence at Home demonstration project  
14          under this section with an interim report to be pro-  
15          vided after the first year and a final report to be  
16          provided after the third year of the project. Such an  
17          evaluation shall be conducted by a contractor with  
18          knowledge of chronic care coordination programs for  
19          the targeted patient population and demonstrated  
20          experience in the evaluation of such programs. Each  
21          such report shall include an assessment of the fol-  
22          lowing factors and shall identify the characteristics  
23          of individual Independence at Home programs that  
24          are the most effective:

25               “(A) Quality improvement measures.

1           “(B) Beneficiary, caregiver, and provider  
2           satisfaction.

3           “(C) Health outcomes appropriate for pa-  
4           tients with multiple chronic conditions.

5           “(D) Cost savings to the program under  
6           this title.

7           “(4) AGREEMENTS.—The Secretary shall enter  
8           into agreements, beginning not later than one year  
9           after the date of the enactment of this section, with  
10          Independence at Home organizations that meet the  
11          participation requirements of this section, including  
12          minimum performance standards developed under  
13          subsection (e)(3), in order to provide access by eligi-  
14          ble beneficiaries to Independence at Home programs  
15          under this section.

16          “(5) REGULATIONS.—At least three months be-  
17          fore entering into the first agreement under this sec-  
18          tion, the Secretary shall publish in the Federal Reg-  
19          ister the specifications for implementing this section.

20          “(6) PERIODIC PROGRESS REPORTS.—Semi-an-  
21          nually during the first year in which this section is  
22          implemented and annually thereafter during the pe-  
23          riod of implementation of this section, the Secretary  
24          shall submit to the Committees on Ways and Means  
25          and Energy and Commerce of the House of Rep-



representatives and the Committee on Finance of the Senate a report that describes the progress of implementation of this section and explaining any variation from the Independence at Home program as described in this section.

“(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

1 “(iii) within the 12 months prior to  
2 the individual first enrolling with an Inde-  
3 pendence at Home program under this sec-  
4 tion, has received benefits under this title  
5 for services described in each of clauses (i),  
6 (ii) and (iii) of subparagraph (D).

7 “(B) DISQUALIFICATIONS.—Such term  
8 does not include an individual—

9 “(i) who is receiving benefits under  
10 section 1881;

11 “(ii) who is enrolled in a PACE pro-  
12 gram under section 1894;

13 “(iii) who is enrolled in (and is not  
14 disenrolled from) a chronic care improve-  
15 ment program under section 1807;

16 “(iv) who within the previous year has  
17 been a resident for more than 90 days in  
18 a skilled nursing facility, a nursing facility  
19 (as defined in section 1919), or any other  
20 facility identified by the Secretary;

21 “(v) who resides in a setting that pre-  
22 sents a danger to the safety of in-home  
23 health care providers and primary care-  
24 givers; or

1                   “(vi) whose enrollment in an Inde-  
2                   pendence at Home program the Secretary  
3                   determines would be inappropriate.

4                   “(C) CHRONIC CONDITIONS DESCRIBED.—  
5                   The chronic conditions described in this sub-  
6                   paragraph are the following:

7                   “(i) Congestive heart failure.

8                   “(ii) Diabetes.

9                   “(iii) Chronic obstructive pulmonary  
10                  disease.

11                  “(iv) Ischemic heart disease.

12                  “(v) Peripheral arterial disease.

13                  “(vi) Stroke.

14                  “(vii) Alzheimer’s Disease and other  
15                  dementias designated by the Secretary.

16                  “(viii) Pressure ulcers.

17                  “(ix) Hypertension.

18                  “(x) Neurodegenerative diseases des-  
19                  ignated by the Secretary which result in  
20                  high costs under this title, including  
21                  amyotrophic lateral sclerosis (ALS), mul-  
22                  tiple sclerosis, and Parkinson’s disease.

23                  “(xi) Any other chronic condition that  
24                  the Secretary identifies as likely to result  
25                  in high costs to the program under this

1 title when such condition is present in  
 2 combination with one or more of the  
 3 chronic conditions specified in the pre-  
 4 ceding clauses.

5 “(D) SERVICES DESCRIBED.—The services  
 6 described in this subparagraph are the fol-  
 7 lowing:

8 “(i) Non-elective inpatient hospital  
 9 services.

10 “(ii) Services in the emergency de-  
 11 partment of a hospital.

12 “(iii) Any of the following services:

13 “(I) Extended care services.

14 “(II) Services in an acute reha-  
 15 bilitation facility.

16 “(III) Home health services.

17 “(4) INDEPENDENCE AT HOME ASSESSMENT.—

18 The term ‘Independence at Home assessment’  
 19 means, with respect to an eligible beneficiary, a com-  
 20 prehensive medical history, physical examination,  
 21 and assessment of the beneficiary’s clinical and func-  
 22 tional status that—

23 “(A) is conducted by—

1 “(i) an Independence at Home physi-  
2 cian or an Independence at Home nurse  
3 practitioner;

4 “(ii) a physician assistant, nurse prac-  
5 titioner, or clinical nurse specialist, as de-  
6 fined in section 1861(aa)(5), who is em-  
7 ployed by an Independence at Home orga-  
8 nization and is working in collaboration  
9 with an Independence at Home physician  
10 or Independence at Home nurse practi-  
11 tioner; or

12 “(iii) any other health care profes-  
13 sional that meets such conditions as the  
14 Secretary may specify; and

15 “(B) includes an assessment of—

16 “(i) activities of daily living and other  
17 co-morbidities;

18 “(ii) medications and medication ad-  
19 herence;

20 “(iii) affect, cognition, executive func-  
21 tion, and presence of mental disorders;

22 “(iv) functional status, including mo-  
23 bility, balance, gait, risk of falling, and  
24 sensory function;

1 “(v) social functioning and social inte-  
2 gration;

3 “(vi) environmental needs and a safe-  
4 ty assessment;

5 “(vii) the ability of the beneficiary’s  
6 primary caregiver to assist with the bene-  
7 ficiary’s care as well as the caregiver’s own  
8 physical and emotional capacity, education,  
9 and training;

10 “(viii) whether the beneficiary is likely  
11 to benefit from an Independence at Home  
12 program;

13 “(ix) whether the conditions in the  
14 beneficiary’s home or place of residence  
15 would permit the safe provision of services  
16 in the home or residence, respectively,  
17 under an Independence at Home program;  
18 and

19 “(x) other factors determined appro-  
20 priate by the Secretary.

21 “(5) INDEPENDENCE AT HOME CARE TEAM.—

22 The term ‘Independence at Home care team’—

23 “(A) means, with respect to a participant,  
24 a team of qualified individuals that provides

1 services to the participant as part of an Inde-  
 2 pendence at Home program; and

3 “(B) includes an Independence at Home  
 4 physician or an Independence at Home nurse  
 5 practitioner and an Independence at Home co-  
 6 ordinator (who may also be an Independence at  
 7 Home physician or an Independence at Home  
 8 nurse practitioner).

9 “(6) INDEPENDENCE AT HOME COORDI-  
 10 NATOR.—The term ‘Independence at Home coordi-  
 11 nator’ means, with respect to a participant, an indi-  
 12 vidual who—

13 “(A) is employed by an Independence at  
 14 Home organization and is responsible for co-  
 15 ordinating all of the elements of the partici-  
 16 pant’s Independence at Home plan;

17 “(B) is a licensed health professional, such  
 18 as a physician, registered nurse, nurse practi-  
 19 tioner, clinical nurse specialist, physician assist-  
 20 ant, or other health care professional as the  
 21 Secretary determines appropriate, who has at  
 22 least one year of experience providing and co-  
 23 ordinating medical and related services for indi-  
 24 viduals in their homes; and

1           “(C) serves as the primary point of contact  
 2           responsible for communications with the partici-  
 3           pant and for facilitating communications with  
 4           other health care providers under the plan.

5           “(7) INDEPENDENCE AT HOME ORGANIZA-  
 6           TION.—The term ‘Independence at Home organiza-  
 7           tion’ means a provider of services, a physician or  
 8           physician group practice, a nurse practitioner or  
 9           nurse practitioner group practice, or other legal enti-  
 10          ty which receives payment for services furnished  
 11          under this title (other than only under this section)  
 12          and which—

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

16           “(B)(i) is able to provide all of the ele-  
 17           ments of the Independence at Home plan in a  
 18           participant’s home or place of residence, or

19           “(ii) if the organization is not able to pro-  
 20           vide all such elements in such home or resi-  
 21           dence, has adequate mechanisms for ensuring  
 22           the provision of such elements by one or more  
 23           qualified entities;

24           “(C) has Independence at Home physi-  
 25           cians, clinical nurse specialists, nurse practi-



tioners, 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 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 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 Medi-

1            cine, or the American Board of Physical  
2            Medicine and Rehabilitation; or

3            “(ii) by a Board recognized by the  
4            American Board of Medical Specialties and  
5            determined by the Secretary to be appro-  
6            priate for the Independence at Home pro-  
7            gram;

8            “(C) has—

9            “(i) a certification in geriatric medi-  
10          cine as provided by American Board of  
11          Medical Specialties; or

12          “(ii) passed the clinical competency  
13          examination of the American Academy of  
14          Home Care Physicians and has substantial  
15          experience in the delivery of medical care  
16          in the home, including at least two years  
17          of experience in the management of Medi-  
18          care patients and one year of experience in  
19          home-based medical care including at least  
20          200 house calls; and

21          “(D) has furnished services during the pre-  
22          vious 12 months for which payment is made  
23          under this title.

1           “(9) INDEPENDENCE AT HOME NURSE PRACTI-  
 2           TIONER.—The term ‘Independence at Home nurse  
 3           practitioner’ means a nurse practitioner who—

4                   “(A) is employed by or affiliated with an  
 5           Independence at Home organization, as re-  
 6           quired under paragraph (7)(C), or has another  
 7           contractual relationship with the Independence  
 8           at Home organization that requires the nurse  
 9           practitioner to be responsible for the plans of  
 10          care for the nurse practitioner’s patients;

11                   “(B) practices in accordance with State  
 12          law regarding scope of practice for nurse practi-  
 13          tioners;

14                   “(C) is certified—

15                           “(i) as a Gerontologic Nurse Practi-  
 16                   tioner by the American Academy of Nurse  
 17                   Practitioners Certification Program or the  
 18                   American Nurses Credentialing Center; or

19                           “(ii) as a family nurse practitioner or  
 20                   adult nurse practitioner by the American  
 21                   Academy of Nurse Practitioners Certifi-  
 22                   cation Board or the American Nurses  
 23                   Credentialing Center and holds a certifi-  
 24                   cate of Added Qualification in gerontology,  
 25                   elder care or care of the older adult pro-

vided 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 pre-  
vious 12 months for which payment is made  
under this title.

“(10) INDEPENDENCE AT HOME PLAN.—The  
term ‘Independence at Home plan’ means a plan es-  
tablished under subsection (d)(2) for a specific par-  
ticipant 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 en-  
rolled in an Independence at Home program.

“(13) QUALIFIED ENTITY.—The term ‘qualified  
entity’ means a person or organization that is li-  
censed or otherwise legally permitted to provide the  
specific element (or elements) of 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           “(c) IDENTIFICATION AND ENROLLMENT OF PRO-  
 7           SPECTIVE PROGRAM PARTICIPANTS.—

8           “(1) NOTICE TO ELIGIBLE INDEPENDENCE AT  
 9           HOME BENEFICIARIES.—The Secretary shall develop  
 10          a model notice to be made available to Medicare  
 11          beneficiaries (and to their caregivers) who are poten-  
 12          tially eligible for an Independence at Home program  
 13          by participating providers and by Independence at  
 14          Home programs. Such notice shall include the fol-  
 15          lowing information:

16               “(A) A description of the potential advan-  
 17               tages to the beneficiary participating in an  
 18               Independence at Home program.

19               “(B) A description of the eligibility re-  
 20               quirements to participate.

21               “(C) Notice that participation is voluntary.

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

1           “(E) Notice that those who enroll in an  
 2           Independence at Home program may have co-  
 3           payments for house calls by Independence at  
 4           Home physicians or by Independence at Home  
 5           nurse practitioners reduced or eliminated at the  
 6           discretion of the Independence at Home physi-  
 7           cian or Independence at Home nurse practi-  
 8           tioner involved.

9           “(F) A description of the services that  
 10          could potentially be provided under an Inde-  
 11          pendence at Home plan.

12          “(G) A description of the method for par-  
 13          ticipating, or withdrawing from participation, in  
 14          an Independence at Home program or becoming  
 15          no longer eligible to so participate.

16          “(2) VOLUNTARY PARTICIPATION AND  
 17          CHOICE.—An eligible beneficiary may participate in  
 18          an Independence at Home program through enroll-  
 19          ment in such program on a voluntary basis and may  
 20          terminate such participation at any time. Such a  
 21          beneficiary may also receive Independence at Home  
 22          services from the Independence at Home organiza-  
 23          tion of the beneficiary’s choice but may not receive  
 24          Independence at Home services from more than one  
 25          Independence at Home organization at a time.

1 “(d) INDEPENDENCE AT HOME PROGRAM REQUIRE-  
2 MENTS.—

3 “(1) IN GENERAL.—Each Independence at  
4 Home program shall, for each participant enrolled in  
5 the program—

6 “(A) designate—

7 “(i) an Independence at Home physi-  
8 cian or an Independence at Home nurse  
9 practitioner; and

10 “(ii) an Independence at Home coor-  
11 dinator;

12 “(B) have a process to ensure that the  
13 participant received an Independence at Home  
14 assessment before enrollment in the program;

15 “(C) with the participation of the partici-  
16 pant (or the participant’s representative or  
17 caregiver), an Independence at Home physician  
18 or an Independence at Home nurse practitioner,  
19 and Independence at Home coordinator, develop  
20 an Independence at Home plan for the partici-  
21 pant in accordance with paragraph (2);

22 “(D) ensure that the participant receives  
23 an Independence at Home assessment at least  
24 annually after the original assessment to ensure

1           that the Independence at Home plan for the  
2           participant remains current and appropriate;

3           “(E) implement all of the elements of the  
4           participant’s Independence at Home plan and  
5           in instances in which the Independence at  
6           Home organization does not provide specific ele-  
7           ments of the Independence at Home plan, en-  
8           sure that qualified entities successfully imple-  
9           ment those specific elements;

10          “(F) provide for an electronic medical  
11          record and electronic health information tech-  
12          nology to coordinate the participant’s care and  
13          to exchange information with the Medicare pro-  
14          gram and electronic monitoring and commu-  
15          nication technologies and mobile diagnostic and  
16          therapeutic technologies as appropriate and ac-  
17          cepted by the participant; and

18          “(G) respect the participant’s right to  
19          health information privacy and obtain permis-  
20          sion from the participant (or responsible per-  
21          son) for the use and disclosure of identifiable  
22          health information necessary for treatment,  
23          payment, or health care operations.

24          “(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 or an Independence at Home nurse practitioner, 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 elements of an Independence at Home plan described in subparagraph (C) are appropriate for the participant; and

“(iii) identify the qualified entity responsible for providing each element of such plan.

“(B) COMMUNICATION OF INDIVIDUALIZED INDEPENDENCE AT HOME PLAN TO THE INDEPENDENCE AT HOME COORDINATOR.—If the Independence at Home physician or Independence at Home nurse practitioner responsible for conducting the participant’s Independence at Home assessment and developing the Independ-

ence 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) ELEMENTS OF INDEPENDENCE AT HOME PLAN.—An Independence at Home organization shall have the capability to provide, directly or through a qualified entity, and shall offer all of the following elements of an Independence at Home plan to the extent they are appropriate and accepted by a participant:

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

“(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.

1 “(iii) Information about, and access  
2 to, hospice care.

3 “(iv) Pain and palliative care and end-  
4 of-life care.

5 “(v) Education for primary caregivers  
6 and family members.

7 “(vi) Caregiver counseling services  
8 and information about, and referral to,  
9 other caregiver support and health care  
10 services in the community.

11 “(vii) Monitoring and management of  
12 medications as well as assistance to par-  
13 ticipants and their caregivers with respect  
14 to selection of a prescription drug plan  
15 under part D that best meets the needs of  
16 the participant’s chronic conditions.

17 “(viii) Referral to social services, such  
18 as personal care, meals, volunteers, and in-  
19 dividual and family therapy.

20 “(ix) Access to phlebotomy and ancil-  
21 lary laboratory and imaging services, in-  
22 cluding point of care laboratory and imag-  
23 ing diagnostics.

24 “(3) PRIMARY TREATMENT ROLE WITHIN AN  
25 INDEPENDENCE AT HOME CARE TEAM.—An Inde-

pendence at Home physician 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 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.

1           “(2) CLINICAL, QUALITY IMPROVEMENT, AND  
2           FINANCIAL REQUIREMENTS.—The Secretary may  
3           not enter into an agreement with such an organiza-  
4           tion under this section for the operation of an Inde-  
5           pendence at Home program unless—

6                   “(A) the program and organization meet  
7                   the requirements of subsection (d), minimum  
8                   quality and performance standards developed  
9                   under paragraph (3), and such clinical, quality  
10                  improvement, financial, and other requirements  
11                  as the Secretary deems to be appropriate for  
12                  participants to be served; and

13                   “(B) the organization demonstrates to the  
14                   satisfaction of the Secretary that the organiza-  
15                   tion is able to assume financial risk for per-  
16                   formance under the agreement with respect to  
17                   payments made to the organization under such  
18                   agreement through available reserves, reinsur-  
19                   ance, or withholding of funding provided under  
20                   this title, or such other means as the Secretary  
21                   determines appropriate.

22           “(3) MINIMUM QUALITY AND PERFORMANCE  
23           STANDARDS.—

24                   “(A) IN GENERAL.—The Secretary shall  
25                  develop mandatory minimum quality and per-

1 formance standards for Independence at Home  
2 organizations and programs.

3 “(B) STANDARDS TO BE INCLUDED.—

4 Such standards shall include measures of—

5 “(i) participant outcomes;

6 “(ii) satisfaction of the beneficiary,  
7 caregiver, and provider involved; and

8 “(iii) cost savings consistent with  
9 paragraph (6).

10 “(C) MINIMUM PARTICIPATION STAND-  
11 ARD.—Such standards shall include a require-  
12 ment that, for any year after the first year, an  
13 Independence at Home program had an average  
14 number of participants during the previous year  
15 of at least 100 participants.

16 “(4) TERM OF AGREEMENT AND MODIFICA-  
17 TION.—The agreement under this subsection shall  
18 be, subject to paragraphs (3)(C) and (5), for a pe-  
19 riod of three years, and the terms and conditions  
20 may be modified during the contract period only  
21 upon the request of the Independence at Home orga-  
22 nization.

23 “(5) TERMINATION AND NON-RENEWAL OF  
24 AGREEMENT.—

1           “(A) IN GENERAL.—If the Secretary deter-  
 2 mines that an Independence at Home organiza-  
 3 tion has failed to meet the minimum perform-  
 4 ance standards under paragraph (3) or other  
 5 requirements under this section, the Secretary  
 6 may terminate the agreement of the organiza-  
 7 tion at the end of the contract year.

8           “(B) REQUIRED TERMINATION WHERE  
 9 RISK TO HEALTH OR SAFETY OF A PARTICI-  
 10 PANT.—The Secretary shall terminate an agree-  
 11 ment with an Independence at Home organiza-  
 12 tion at any time the Secretary determines that  
 13 the care being provided by such organization  
 14 poses a threat to the health and safety of a par-  
 15 ticipant.

16           “(C) TERMINATION BY INDEPENDENCE AT  
 17 HOME ORGANIZATIONS.—Notwithstanding any  
 18 other provision of this subsection, an Independ-  
 19 ence at Home organization may terminate an  
 20 agreement with the Secretary under this section  
 21 to provide an Independence at Home program  
 22 at the end of a contract year if the organization  
 23 provides to the Secretary and to the bene-  
 24 ficiaries participating in the program notifica-  
 25 tion of such termination more than 90 days be-

fore 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) 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 the product of—

“(i) 5 percent of the estimated average monthly costs that would have been in-



1           curred under parts A, B, and D if those  
 2           beneficiaries had not participated in the  
 3           Independence at Home program; and

4           “(ii) the number of participant-  
 5           months for that year.

6           “(B) COMPUTATION OF AGGREGATE SAV-  
 7           INGS.—

8           “(i) MODEL FOR CALCULATING SAV-  
 9           INGS.—The Secretary shall contract with a  
 10          nongovernmental organization or academic  
 11          institution to independently develop an an-  
 12          alytical model for determining whether an  
 13          Independence at Home program achieves  
 14          at least savings required under subpara-  
 15          graph (A) relative to costs that would have  
 16          been incurred by Medicare in the absence  
 17          of Independence at Home programs. The  
 18          analytical model developed by the inde-  
 19          pendent research organization for making  
 20          these determinations shall utilize state-of-  
 21          the-art econometric techniques, such as  
 22          Heckman’s selection correction methodolo-  
 23          gies, to account for sample selection bias,  
 24          omitted variable bias, or problems with  
 25          endogeneity.

1 “(ii) APPLICATION OF THE MODEL.—

2 Using the model developed under clause  
3 (i), the Secretary shall compare the actual  
4 costs to Medicare of beneficiaries partici-  
5 pating in an Independence at Home pro-  
6 gram to the predicted costs to Medicare of  
7 such beneficiaries to determine whether an  
8 Independence at Home program achieves  
9 the savings required under subparagraph  
10 (A).

11 “(iii) REVISIONS OF THE MODEL.—

12 The Secretary shall require that the model  
13 developed under clause (i) for determining  
14 savings shall be designed according to in-  
15 structions that will control, or adjust for,  
16 inflation as well as risk factors including,  
17 age, race, gender, disability status, socio-  
18 economic status, region of country (such as  
19 State, county, metropolitan statistical area,  
20 or zip code), and such other factors as the  
21 Secretary determines to be appropriate, in-  
22 cluding adjustment for prior health care  
23 utilization. The Secretary may add to,  
24 modify, or substitute for such adjustment  
25 factors if such changes will improve the

1 sensitivity or specificity of the calculation  
2 of costs savings.

3 “(iv) PARTICIPANT-MONTH.—In mak-  
4 ing the calculation described in subpara-  
5 graph (A), each month or part of a month  
6 in a program year that a beneficiary par-  
7 ticipates in an Independence at Home pro-  
8 gram shall be counted as a ‘participant-  
9 month’.

10 “(C) NOTICE OF SAVINGS CALCULATION.—  
11 No later than 120 days before the beginning of  
12 any Independence at Home program year, the  
13 Secretary shall publish in the Federal Register  
14 a description of the model developed under sub-  
15 paragraph (B)(i) and information for calcu-  
16 lating savings required under subparagraph  
17 (A), including any revisions, sufficient to permit  
18 Independence at Home organizations to deter-  
19 mine the savings they will be required to  
20 achieve during the program year to meet the  
21 savings requirement under such subparagraph.  
22 In order to facilitate this notice, the Secretary  
23 may designate a single annual date for the be-  
24 ginning of all Independence at Home program

1           years that shall not be later than one year from  
2           the date of enactment of this section.

3           “(7) MANNER OF PAYMENT.—Subject to para-  
4           graph (8), payments shall be made by the Secretary  
5           to an Independence at Home organization at a rate  
6           negotiated between the Secretary and the organiza-  
7           tion under the agreement for—

8                   “(A) Independence at Home assessments;  
9           and

10                   “(B) on a per-participant, per-month basis  
11           for the items and services required to be pro-  
12           vided or made available under subsection (d).

13           “(8) ENSURING MANDATORY MINIMUM SAV-  
14           INGS.—The Secretary shall require any Independ-  
15           ence at Home organization that fails in any year to  
16           achieve the mandatory minimum savings described  
17           in paragraph (6) to provide those savings by refund-  
18           ing payments made to the organization under para-  
19           graph (7) during such year.

20           “(9) BUDGET NEUTRAL PAYMENT CONDI-  
21           TION.—

22                   “(A) IN GENERAL.—Under this section,  
23           the Secretary shall ensure that the cumulative,  
24           aggregate sum of Medicare program benefit ex-  
25           penditures under parts A, B, and D for partici-

1 pants in Independence at Home programs and  
2 funds paid to Independence at Home organiza-  
3 tions under this section, shall not exceed the  
4 Medicare program benefit expenditures under  
5 such parts that the Secretary estimates would  
6 have been made for such participants in the ab-  
7 sence of such programs.

8 “(B) TREATMENT OF SAVINGS.—If an  
9 Independence at Home organization achieves  
10 aggregate savings in a year in excess of the  
11 mandatory minimum savings described in para-  
12 graph (6), 80 percent of such aggregate savings  
13 shall be paid to the organization and the re-  
14 mainder shall be retained by the programs  
15 under this title.

16 “(f) WAIVER OF COINSURANCE FOR HOUSE  
17 CALLS.—A physician or nurse practitioner furnishing  
18 services in the home or residence of a participant in an  
19 Independence at Home program may waive collection of  
20 any coinsurance that might otherwise be payable under  
21 section 1833(a) with respect to such services.

22 “(g) REPORT.—Not later than one year after the end  
23 of the Independence at Home demonstration project under  
24 this section, the Secretary shall submit to Congress a re-

1 port on such project. Such report shall include information  
 2 on—

3 “(1) whether Independence at Home programs  
 4 under the project met the performance standards for  
 5 beneficiary, caregiver, and provider satisfaction; and

6 “(2) participant outcomes and cost savings, as  
 7 well as the characteristics of the programs that were  
 8 most effective and whether the participant eligibility  
 9 criteria identified beneficiaries who were in the top  
 10 ten percent of the highest cost Medicare bene-  
 11 ficiaries.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 1833(a) of such Act (42 U.S.C.  
 14 1395l(a)) is amended, in the matter before para-  
 15 graph (1), by inserting “and section 1807A(f)” after  
 16 “section 1876”.

17 (2) Section 1128B(b)(3) of such Act (42 U.S.C.  
 18 1320a-7b(b)(3)) is amended—

19 (A) by striking “and” at the end of sub-  
 20 paragraph (G);

21 (B) by striking “1853(a)(4).” at the end of  
 22 the first subparagraph (H) and inserting  
 23 “1853(a)(4);”;

24 (C) by redesignating the second subpara-  
 25 graph (H) as subparagraph (I) and by striking

1           the period at the end and inserting “; and”;  
2           and  
3           (D) by adding at the end the following new  
4           subparagraph:  
5           “(J) a waiver of coinsurance under section  
6           1807A(f).”.

○