

112TH CONGRESS  
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# S. 2022

To establish a demonstration program to test the viability of community integrated small-house nursing care homes.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 16, 2011

Mr. CASEY (for himself, Mr. ENZI, Mr. SCHUMER, and Mr. WICKER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To establish a demonstration program to test the viability of community integrated small-house nursing care homes.

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 “Community Integrated  
5 Nursing Care Homes Demonstration Program Act” or the  
6 “CINCH Demonstration Program Act”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1           (1) CINCH DEMONSTRATION PROGRAM.—The  
2 term “CINCH demonstration program” means the  
3 demonstration program conducted under this Act.

4           (2) MEDICAID.—The term “Medicaid” means  
5 the program for medical assistance established under  
6 title XIX of the Social Security Act (42 U.S.C. 1396  
7 et seq.).

8           (3) MEDICARE.—The term “Medicare” means  
9 the program for medical assistance established under  
10 title XVIII of the Social Security Act (42 U.S.C.  
11 1395 et seq.).

12           (4) NURSING HOME.—The term “nursing  
13 home” means—

14                   (A) a skilled nursing facility (as defined in  
15 section 1819(a) of the Social Security Act (42  
16 U.S.C. 1395i–3(a))); or

17                   (B) a nursing facility (as defined in section  
18 1919(a) of the Social Security Act (42 U.S.C.  
19 1396r(a))).

20           (5) RESEARCH-BASED.—The term “research-  
21 based” means research that—

22                   (A) has been conducted by an objective re-  
23 searcher or research team that has—

1 (i) no financial or affiliated organiza-  
2 tional interest in the success of the model;  
3 and

4 (ii) expertise in long-term care, with  
5 not less than 3 research articles relating to  
6 long-term care that have been published in  
7 leading peer-reviewed journals;

8 (B) has been conducted according to gen-  
9 erally accepted research practices;

10 (C) has been published in a leading peer-  
11 reviewed journal on aging or long-term care;  
12 and

13 (D) indicates a measurable improvement in  
14 multiple aspects of quality of life and care.

15 (6) SECRETARY.—The term “Secretary” means  
16 the Secretary of Health and Human Services.

17 (7) RURAL AREA.—The term “rural area”  
18 means any area other than an urban or suburban  
19 area.

20 (8) SUBURBAN AREA.—The term “suburban  
21 area” means any urbanized area that is contiguous  
22 and adjacent to an urban area.

23 (9) URBAN AREA.—The term “urban area”  
24 means a city or town that has a population of great-  
25 er than 50,000 inhabitants.

1 **SEC. 3. SMALL-HOUSE NURSING CARE HOME REQUIRE-**  
2 **MENTS.**

3 To be eligible to participate in the CINCH dem-  
4 onstration program as a small-house nursing care home,  
5 a nursing home shall—

6 (1) subject to section 4(f), have been certified  
7 by a Federal, State, or local entity (in accordance  
8 with applicable Federal, State, and local law) to op-  
9 erate a nursing home;

10 (2) operate in compliance with any direct care  
11 and certified nurse assistant staffing requirements  
12 under Federal, State, and local law;

13 (3) provide nursing home services, as required  
14 under State law and applicable licensing standards,  
15 that shall not be less comprehensive or high-acuity  
16 than services provided by the eligible operating enti-  
17 ty within the immediate surrounding community;

18 (4) provide for meals cooked in the nursing  
19 home and not prepared in a central kitchen and  
20 transported to the home;

21 (5) provide for a universal worker approach to  
22 resident care (such as a certified nursing assistant  
23 who provides personal care, socialization services,  
24 meal preparation services, and laundry and house-  
25 keeping services);

1           (6) provide for direct care staffing at a rate  
2 that meets applicable Federal and State require-  
3 ments or that is not less than 4 hours per resident  
4 per day, whichever is greater, with direct care staff  
5 (including certified nurse assistants) to be onsite,  
6 awake, and available within each small-house nurs-  
7 ing care home at all times;

8           (7) provide for direct nursing care at a rate  
9 that meets applicable Federal and State require-  
10 ments or that is not less than 1 hour per resident  
11 per day, whichever is greater, with a nursing staff  
12 that is awake and available at each location at all  
13 times and that meets or exceeds applicable Federal  
14 and State requirements for qualifications, services,  
15 and availability;

16           (8) provide for any other clinical, operational,  
17 management, or facility staff and services as re-  
18 quired under applicable Federal and State require-  
19 ments, with such staff to be available from central-  
20 ized or distributed locations, including a director of  
21 nursing who shall be responsible for oversight of the  
22 nursing staff within a site;

23           (9) provide for consistent staff assignments and  
24 self-directed work teams of direct care staff;

1           (10) provide training for all staff involved in  
2           the operations of the nursing home (for not less  
3           than 120 hours for each universal worker and not  
4           less than 60 hours for each leadership and clinical  
5           team member, to be completed for the majority of  
6           the staff before they start to work in a small-house  
7           nursing care home) concerning the philosophy, oper-  
8           ations, and skills required to implement and main-  
9           tain self-directed care, self-managed work teams, a  
10          noninstitutional approach to life and care in long-  
11          term care, appropriate safety and emergency skills,  
12          cooking from scratch by the direct care staff and  
13          food handling and safety, and other elements re-  
14          quired for successful operation of the small-house  
15          nursing care home;

16          (11) ensure that the percentage of residents in  
17          each small-house nursing care home who are short-  
18          stay rehabilitation residents does not exceed 20 per-  
19          cent at any time (unless the small-house nursing  
20          care home is entirely devoted to providing rehabilita-  
21          tion services), except that a long-term resident  
22          transferring back to a small-house nursing care  
23          home after an acute episode and who is receiving re-  
24          habilitation services for which payment is made

1 under Medicare shall not be counted toward such  
2 limitation;

3 (12) provide the technical assistance provider  
4 with Minimum Data Set (“MDS”) information and  
5 financial data in a timely manner on a monthly  
6 basis; and

7 (13) consist of a physical environment designed  
8 to look and feel like a home, rather than an institu-  
9 tion, and that shall—

10 (A) be designed to serve as a fully inde-  
11 pendent, self-sufficient, and disabled accessible  
12 house or apartment that is similar to housing  
13 available within the immediate surrounding  
14 community, with not more than 10 residents  
15 within such house or apartment, and that shall  
16 only be connected to or share areas that would  
17 be generally shared between private homes  
18 (such as a driveway) or apartments (such as a  
19 lobby or laundry room);

20 (B) contain residential-style design ele-  
21 ments and materials throughout the home that  
22 are similar to those in the immediate sur-  
23 rounding community and that do not use com-  
24 mercial and institutional elements and products  
25 (such as a nurses’ station, medication carts,

1 hospital or office-type florescent lighting, acous-  
2 tical tile ceilings, institutional-style railings and  
3 corner guards, and room numbering and label-  
4 ing) unless mandated by authorities with appro-  
5 priate jurisdiction over the nursing home;

6 (C) provide private, single occupancy bed-  
7 rooms that—

8 (i) are shared only at the request of  
9 a resident to accommodate a spouse, part-  
10 ner, family member, or friend, and that  
11 contains a full private bathroom that in-  
12 cludes, at a minimum, a toilet, sink, and  
13 accessible shower; and

14 (ii) are dually certified for occupancy  
15 by a Medicaid or Medicare eligible indi-  
16 vidual;

17 (D) contain a living area where residents  
18 and staff may socialize, dine, and prepare food  
19 together that provides, at a minimum, a living  
20 room seating area, a dining area large enough  
21 for a single table serving all residents and not  
22 less than 2 staff members, and a full kitchen  
23 that is open to the living and dining areas;

24 (E) contain ample natural light in each  
25 habitable space that is provided through exte-

1           rior windows and other means, with window  
2           areas, exclusive of skylights and clerestories,  
3           being a minimum of 10 percent of the area of  
4           the room;

5           (F) have a life-safety rating that is suffi-  
6           cient to meet State and local standards for  
7           nursing facilities, including such provisions of  
8           such edition (as specified by the Secretary in  
9           regulation) of the Life Safety Code of the Na-  
10          tional Fire Protection Association as are appli-  
11          cable to nursing homes, appropriately accommo-  
12          date individuals who cannot evacuate the small-  
13          house nursing care home without assistance,  
14          and satisfy applicable requirements under the  
15          Americans with Disabilities Act of 1990 (42  
16          U.S.C. 12101 et seq.); and

17          (G) contain built-in safety features to allow  
18          all areas of the small-house nursing care home  
19          to be accessible to residents during the majority  
20          of the day and night.

21 **SEC. 4. ESTABLISHMENT OF COMMUNITY INTEGRATED**  
22                   **NURSING CARE HOMES DEMONSTRATION**  
23                   **PROGRAM.**

24          (a) IN GENERAL.—The Secretary shall establish the  
25          CINCH demonstration program to test the viability of

1 multiple small-house nursing care homes that are embed-  
2 ded within residential neighborhoods and collectively cer-  
3 tified to provide services through a single eligible oper-  
4 ating entity in order to reduce administrative costs and  
5 provide related cost savings to the Medicare and Medicaid  
6 programs.

7 (b) DURATION AND SCOPE.—

8 (1) DURATION.—The Secretary shall conduct  
9 the CINCH demonstration program for a period of  
10 5 years.

11 (2) SCOPE.—The Secretary shall select not  
12 more than 6 sites (as described in subsection (c)(2))  
13 to participate in the CINCH demonstration pro-  
14 gram, with each site to be operated by a different  
15 eligible operating entity (as described under section  
16 5(b)), with not less than 2 sites to be located in  
17 rural areas.

18 (c) STRUCTURE OF DEMONSTRATION PROGRAM.—

19 (1) ELIGIBLE OPERATING ENTITY.—

20 (A) IN GENERAL.—Each site shall be oper-  
21 ated by a single eligible operating entity under  
22 the entity's nursing home license and provider  
23 certification, with such entity to be responsible  
24 for management, administration, and oversight

1 of all small-house nursing care homes within  
2 the site.

3 (B) ENTITIES.—For purposes of this Act,  
4 an eligible operating entity shall be—

5 (i) a skilled nursing facility (as de-  
6 fined in section 1819(a) of the Social Secu-  
7 rity Act (42 U.S.C. 1395i–3(a)));

8 (ii) a nursing facility (as defined in  
9 section 1919(a) of the Social Security Act  
10 (42 U.S.C. 1396r(a))); or

11 (iii) an entity that has applied for cer-  
12 tification pursuant to Federal, State, and  
13 local requirements for operation of a  
14 skilled nursing facility or nursing facility,  
15 provided that—

16 (I) the proposal submitted by the  
17 entity pursuant to section 5(b) in-  
18 cludes a plan for certification that has  
19 been determined by the technical as-  
20 sistance provider to be feasible and  
21 likely to result in certification by the  
22 State; and

23 (II) the entity receives such cer-  
24 tification not later than 24 months  
25 after selection by the technical assist-

1                   ance provider (as described in section  
2                   5(b)).

3                   (C) RELATIONSHIP TO NURSING CARE  
4 HOMES WITHIN SITE.—A facility that has been  
5 designated as the eligible operating entity—

6                   (i) shall not be considered to be small-  
7 house nursing care home for purposes of  
8 site and location requirements under this  
9 section; and

10                  (ii) shall not be subject to require-  
11 ments for small-house nursing care homes  
12 under section 3.

13                  (2) SITE.—

14                  (A) IN GENERAL.—A site shall consist  
15 of—

16                  (i) not less than 2 locations (as de-  
17 scribed in paragraph (3)); and

18                  (ii) not less than a total of 4 small-  
19 house nursing care homes (as described in  
20 section 3) and not greater than a total  
21 of—

22                  (I) in rural areas (or a site that  
23 encompasses a rural area), 12 small-  
24 house nursing care homes; or

1 (II) in urban or suburban areas,  
2 24 small-house nursing care homes.

3 (B) DISTANCES BETWEEN LOCATIONS  
4 WITHIN A SITE.—Distances between locations  
5 within a site may vary based upon market de-  
6 mand and availability, with maximum distances  
7 between locations to be established by the eligi-  
8 ble operating entity based upon the ability of  
9 such entity to—

10 (i) deliver required services and super-  
11 vision in a timely and appropriate manner;  
12 and

13 (ii) subject to subsection (f), meet all  
14 applicable statutory and regulatory re-  
15 quirements for operation of a nursing  
16 home.

17 (3) LOCATION.—

18 (A) IN GENERAL.—Each location shall  
19 consist of not greater than 2 small-house nurs-  
20 ing care homes.

21 (B) ADJOINING PARCELS.—A location  
22 shall—

23 (i) consist of a single parcel of land or  
24 multiple adjoining parcels of land; and

1                   (ii) be separate from any other loca-  
2                   tion and operate on a non-adjoining parcel  
3                   of land from such location.

4           (d) CONTINUATION OF TREATMENT AS SINGLE PRO-  
5 VIDER.—The Secretary shall develop a process to allow a  
6 site, following the 5-year period for the CINCH dem-  
7 onstration program, to continue operation through a sin-  
8 gle operating entity and receive certification as a single  
9 provider for purposes of Medicare and Medicaid, including  
10 provisions to permit such continuation following a change  
11 in ownership of a participating small-house nursing care  
12 home.

13           (e) PRIORITY FOR CERTIFICATION OF COMPLI-  
14 ANCE.—For purposes of certifying compliance of nursing  
15 homes with Federal participation requirements under  
16 Medicare and Medicaid, the Secretary shall give priority  
17 to the review and certification of any nursing homes par-  
18 ticipating in the CINCH demonstration program.

19           (f) WAIVER AUTHORITY.—The Secretary may waive  
20 such requirements of titles XI, XVIII, and XIX of the So-  
21 cial Security Act as may be necessary to carry out the  
22 CINCH demonstration program and shall develop a proc-  
23 ess that permits sites to be certified and reimbursed under  
24 Medicare and Medicaid.

1 **SEC. 5. SELECTION.**

2 (a) **TECHNICAL ASSISTANCE PROVIDER.—**

3 (1) **IN GENERAL.—**Not later than 90 days after  
4 the date of enactment of this Act, the Secretary,  
5 through a request for proposal process, shall select  
6 a technical assistance provider that shall be respon-  
7 sible for—

8 (A) selecting, assisting, and evaluating the  
9 performance of eligible operating entities (as  
10 described under subsection (b)); and

11 (B) ensuring that small-house nursing care  
12 homes satisfy the requirements described in sec-  
13 tion 3.

14 (2) **MINIMUM REQUIREMENTS.—**In selecting the  
15 technical assistance provider, the Secretary shall en-  
16 sure that such organization—

17 (A) is a national not-for-profit organization  
18 that is in good standing;

19 (B) has a consistent, clearly articulated,  
20 and research-based model for operation of  
21 small-house nursing care homes;

22 (C) has not less than 10 years of experi-  
23 ence in providing development, operation, regu-  
24 latory, policy, and financial consulting services  
25 to clients or partners seeking to innovate the  
26 provision of long-term care;

1 (D) has demonstrated a successful process  
2 and record (for not less than 4 years) for selec-  
3 tion and assistance of multiple organizations in  
4 implementation of a small-house nursing care  
5 home model, including development, operations,  
6 and staff training;

7 (E) has established curricula for training  
8 of leadership, clinical, and direct care staff;

9 (F) has demonstrated capacity, through its  
10 own resources and consultants, to—

11 (i) collect MDS information and fi-  
12 nancial data from eligible operating enti-  
13 ties; and

14 (ii) benchmark and analyze such fi-  
15 nancial data on not less than a quarterly  
16 basis;

17 (G) has the ability to administer the  
18 CINCH demonstration program without addi-  
19 tional funding from Federal, State, or local gov-  
20 ernmental sources;

21 (H) agrees to provide technical assistance  
22 services to eligible operating entities for a fee  
23 that is not greater than its usual and cus-  
24 tomary fee for such services; and

1 (I) agrees to maintain a provider network  
2 for small-house nursing care homes partici-  
3 pating in the CINCH demonstration program  
4 for a fee that is not greater than its usual and  
5 customary fee for such services.

6 (3) PREFERENCES.—In selecting the technical  
7 assistance provider, the Secretary shall give pref-  
8 erence to an organization that has demonstrated ex-  
9 perience in related business activities, including com-  
10 munity-based care models, health care financing,  
11 and demonstration programs.

12 (b) ELIGIBLE OPERATING ENTITY.—

13 (1) IN GENERAL.—Selection of eligible oper-  
14 ating entities shall be determined by the technical  
15 assistance provider through a request for proposal  
16 process on a continual basis.

17 (2) MINIMUM REQUIREMENTS.—An eligible op-  
18 erating entity seeking to participate in the CINCH  
19 demonstration program shall be required to—

20 (A) commit to maintaining the small-house  
21 nursing care home requirements described  
22 under section 3 and permit the technical assist-  
23 ance provider to conduct periodic evaluations to  
24 ensure adherence to such requirements;

1 (B) maintain membership in a small-house  
2 nursing care home provider network that is  
3 maintained by the technical assistance provider;  
4 and

5 (C) subject to paragraph (3)(B), ensure  
6 that not less 30 percent of the total capacity  
7 developed under the CINCH demonstration pro-  
8 gram within the site, based on the annual aver-  
9 age for such site, is provided to residents that  
10 are receiving nursing home benefits under Med-  
11 icaid, with any remaining capacity to be made  
12 available to any individual seeking nursing  
13 home services (including individuals eligible for  
14 Medicare, privately insured individuals, or indi-  
15 viduals paying for their own care).

16 (3) ADDITIONAL CONSIDERATIONS.—For pur-  
17 poses of selecting eligible operating entities to par-  
18 ticipate in the CINCH demonstration project, the  
19 technical assistance provider shall take into consider-  
20 ation—

21 (A) the level and extent of services that  
22 will be provided to residents by each small-  
23 house nursing care home within the site, includ-  
24 ing whether such services are sufficient to re-  
25 spond to the changing needs of residents as

1           they advance in age and thereby permit them to  
2           continue to reside in the home; and

3                   (B) whether an entity commits to a per-  
4           centage of total capacity within the site to resi-  
5           dents that are receiving nursing home benefits  
6           under Medicaid that is higher than the min-  
7           imum percentage of total capacity described in  
8           paragraph (2)(C).

9   **SEC. 6. NO ADDITIONAL PAYMENT.**

10          The technical assistance provider, as well as any eligi-  
11   ble operating entities and participating small-house nurs-  
12   ing care homes, shall not receive any additional payment  
13   or reimbursement under Medicare or Medicaid based upon  
14   their participation in the CINCH demonstration program.

15   **SEC. 7. EVALUATION AND REPORT.**

16          (a) IN GENERAL.—Not later than 4 years after the  
17   date of enactment of this Act, the technical assistance pro-  
18   vider shall evaluate the performance of each of the sites  
19   participating under the CINCH demonstration program  
20   and shall submit to the Secretary a report containing the  
21   results of such evaluation.

22          (b) EVALUATION REQUIREMENTS.—The evaluation  
23   described in subsection (a) shall include an analysis of—

1           (1) not less than 12 months of MDS informa-  
2           tion and financial data from at least 10 small-house  
3           nursing care homes; and

4           (2) results from focus groups or surveys regard-  
5           ing health outcomes for residents and program costs.

6           (c) TESTING AND EXPANSION THROUGH THE CEN-  
7           TER FOR MEDICARE AND MEDICAID INNOVATION.—Not  
8           later than 6 months after receiving the report submitted  
9           under subsection (a), the Secretary shall, through the Cen-  
10          ter for Medicare and Medicaid Innovation established  
11          under section 1115A of the Social Security Act (42 U.S.C.  
12          1315A), perform an evaluation (as described in subsection  
13          (b)(4) of such section) of the CINCH demonstration pro-  
14          gram and, pursuant to the requirements under subsection  
15          (c) of such section, determine whether an expansion of the  
16          CINCH demonstration program is appropriate.

○