**Independence at Home Demonstration Program**

**Summary:** Creates a new demonstration program for chronically ill Medicare beneficiaries to test a payment incentive and service delivery system that utilizes physician and nurse practitioner directed home-based primary care teams aimed at reducing expenditures and improving health outcomes.

**Next steps:**
- December 13, 2010 – The Centers for Medicare and Medicaid Services (CMS) held an open door forum on this program.
- January 1, 2012 – Program begins

**Additional information:**

**Long summary:**
**Sec. 3024. Independence at home demonstration program.**
Creates a new Medicare demonstration program to test the provision of physician and nurse practitioner-directed home-based primary care to certain beneficiaries and coordinate health care across all treatment settings, beginning not later than January 1, 2012.

**Eligible beneficiaries.** Eligible beneficiaries are those having 2 or more chronic illnesses, a Non-elective hospital admission within the past 12 months, previous acute or subacute rehabilitation services, and 2 or more functional dependencies.

**Requirements and shared savings.** Participating practices must furnish services to at least 200 Medicare beneficiaries, must use electronic health information systems, remote monitoring, and mobile diagnostic technology, and may share savings in excess of 5%. For purposes of determining savings, the Secretary must establish an estimated annual spending target (with a risk corridor).

**Beneficiary protects.** Includes a rule of construction clarifying that nothing in this section is to be construed as encouraging physicians or nurse practitioners to limit beneficiary access to Medicare-covered services. Further clarifies that beneficiaries are not to be required to relinquish access to any Medicare-covered benefit as a condition of receiving services from an independence at home practice.
Overall study size and report to Congress. The demonstration may include no more than 10,000 beneficiaries. Also requires an independent evaluation of the demonstration and a report to Congress of such evaluation.

Legislative text:

SEC. 3024. INDEPENDENCE AT HOME DEMONSTRATION PROGRAM.
Title XVII of the Social Security Act is amended by inserting after section 1866D, as inserted by section 3023, the following new section:
As revised by section 10308(b)(2);

"INDEPENDENCE AT HOME MEDICAL PRACTICE DEMONSTRATION PROGRAM
"SEC. 1866E. (a) ESTABLISHMENT.—'
'(1) IN GENERAL.—The Secretary shall conduct a demonstration program (in this section referred to as the ‘demonstration program’) to test a payment incentive and service delivery model that utilizes physician and nurse practitioner directed home-based primary care teams designed to reduce expenditures and improve health outcomes in the provision of items and services under this title to applicable beneficiaries (as defined in subsection (d)).
'(2) REQUIREMENT.—The demonstration program shall test whether a model described in paragraph (1), which is accountable for providing comprehensive, coordinated, continuous, and accessible care to high-need populations at home and coordinating health care across all treatment settings, results in—
'(A) reducing preventable hospitalizations;
'(B) preventing hospital readmissions;
'(C) reducing emergency room visits;
'(D) improving health outcomes commensurate with the beneficiaries’ stage of chronic illness;
'(E) improving the efficiency of care, such as by reducing duplicative diagnostic and laboratory tests;
'(F) reducing the cost of health care services covered under this title; and
'(G) achieving beneficiary and family caregiver satisfaction.

'(b) INDEPENDENCE AT HOME MEDICAL PRACTICE.—
'(1) INDEPENDENCE AT HOME MEDICAL PRACTICE DEFINED.—In this section:
'(A) IN GENERAL.—The term ‘independence at home medical practice’ means a legal entity that—
'(i) is comprised of an individual physician or nurse practitioner or group of physicians and nurse practitioners that provides care as part of a team that includes physicians, nurses, physician assistants, pharmacists, and other health and social services staff as appropriate who have experience providing home-based primary care to applicable beneficiaries, make in-home visits, and are available 24 hours per day, 7 days per week to carry out plans of care that are tailored to the individual beneficiary's chronic conditions and designed to achieve the results in subsection (a);
'(ii) is organized at least in part for the purpose of providing physicians' services;
'(iii) has documented experience in providing home-based primary care services to high-cost chronically ill beneficiaries, as determined appropriate by the Secretary;
'(iv) furnishes services to at least 200 applicable beneficiaries (as defined in subsection (d)) during each year of the demonstration program;
'(v) has entered into an agreement with the Secretary;
'(vi) uses electronic health information systems, remote monitoring, and mobile diagnostic technology; and
'(vii) meets such other criteria as the Secretary determines to be appropriate to participate in the demonstration program.

The entity shall report on quality measures (in such form, manner, and frequency as specified by the Secretary, which may be for the group, for providers of services and suppliers, or both) and report to the Secretary (in a form, manner, and frequency as specified by the Secretary) such data as the Secretary determines appropriate to monitor and evaluate the demonstration program.

'(B) PHYSICIAN.—The term ‘physician’ includes, except as the Secretary may otherwise provide, any individual who furnishes services for which payment may be made as physicians' services and has the medical training or experience to fulfill the physician's role described in subparagraph (A)(i).

'(2) PARTICIPATION OF NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS.—Nothing in this section shall be construed to prevent a nurse practitioner or physician assistant from participating in, or leading, a home-based primary care team as part of an independence at home medical practice if—
'(A) all the requirements of this section are met;
'(B) the nurse practitioner or physician assistant, as the case may be, is acting consistent with State law; and
'(C) the nurse practitioner or physician assistant has the medical training or experience to fulfill the nurse practitioner or physician assistant role described in paragraph (1)(A)(i).

'(3) INCLUSION OF PROVIDERS AND PRACTITIONERS.—Nothing in this subsection shall be construed as preventing an independence at home medical practice from including a provider of services or a participating practitioner described in section 1842(b)(18)(C) that is affiliated with the practice under an arrangement structured so that such provider of services or practitioner participates in the demonstration program and shares in any savings under the demonstration program.

'(4) QUALITY AND PERFORMANCE STANDARDS.—The Secretary shall develop quality performance standards for independence at home medical practices participating in the demonstration program.

'(c) PAYMENT METHODOLOGY.—
'(1) ESTABLISHMENT OF TARGET SPENDING LEVEL.—The Secretary shall establish an estimated annual spending target, for the amount the Secretary estimates would have been spent in the absence of the demonstration, for items and services covered under parts A and B furnished to applicable beneficiaries for each qualifying independence at home medical practice under this section. Such spending targets shall be determined on a per capita basis. Such spending targets shall include a risk corridor that takes into account normal variation in expenditures for items and services covered under parts A and B furnished to such beneficiaries with the size of the
services furnished under this title and incentive payments under subsection (c), in addition to funds otherwise appropriated, there shall

''(h) FUNDING.—For purposes of administering and carrying out the demonstration program on coordination of care, expenditures under this title, applicable beneficiary access to services, and the quality of care services provided to applicable beneficiaries.

''(e) IMPLEMENTATION.—

''(1) IN GENERAL.—The demonstration program shall begin no later than January 1, 2012. An agreement with an independence at home medical practice under the demonstration program may cover not more than a 3-year period.

''(2) NO PHYSICIAN DUPLICATION IN DEMONSTRATION PARTICIPATION.—The Secretary shall not pay an independence at home medical practice under this section that participates in section 1899.

''(3) NO BENEFICIARY DUPLICATION IN DEMONSTRATION PARTICIPATION.—The Secretary shall ensure that no applicable beneficiary enrolled in an independence at home medical practice under this section is participating in the programs under section 1899.

''(4) PREFERENCE.—In approving an independence at home medical practice, the Secretary shall give preference to practices that are—

''(5) LIMITATION ON NUMBER OF PRACTICES.—In selecting qualified independence at home medical practices to participate under the demonstration program, the Secretary shall limit the number of such practices so that the number of applicable beneficiaries that may participate in the demonstration program does not exceed 10,000.

''(6) WAIVER.—The Secretary may waive such provisions of this title and title XI as the Secretary determines necessary in order to implement the demonstration program.

''(7) ADMINISTRATION.—Chapter 35 of title 44, United States Code, shall not apply to this section.

''(f) EVALUATION AND MONITORING.—

''(1) IN GENERAL.—The Secretary shall evaluate each independence at home medical practice under the demonstration program to assess whether the practice achieved the results described in subsection (a).

''(2) MONITORING APPLICABLE BENEFICIARIES.—The Secretary may monitor data on expenditures and quality of services under this title after an applicable beneficiary discontinues receiving services under this title through an independence at home medical practice.

''(g) REPORTS TO CONGRESS.—The Secretary shall conduct an independent evaluation of the demonstration program and submit to Congress a final report, including best practices under the demonstration program. Such report shall include an analysis of the demonstration program on coordination of care, expenditures under this title, applicable beneficiary access to services, and the quality of health care services provided to applicable beneficiaries.

''(h) FUNDING.—For purposes of administering and carrying out the demonstration program, other than for payments for items and services furnished under this title and incentive payments under subsection (c), in addition to funds otherwise appropriated, there shall be transferred to the Secretary for the Center for Medicare & Medicaid Services Program Management Account from the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 (in proportions determined appropriate by the Secretary) $5,000,000 for each of fiscal years 2010 through 2015. Amounts transferred under this subsection for a fiscal year shall be available until expended.

''(i) TERMINATION.—

''(1) MANDATORY TERMINATION.—The Secretary shall terminate an agreement with an independence at home medical practice if—

''(A) the Secretary estimates or determines that such practice will not receive an incentive payment for the second of 2 consecutive years under the demonstration program; or

''(B) such practice fails to meet quality standards during any year of the demonstration program.

''(2) PERMISSIVE TERMINATION.—The Secretary may terminate an agreement with an independence at home medical practice for such other reasons determined appropriate by the Secretary.'