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111TH CONGRESS
1ST SESSION

# H. R. 2773

To amend title XVIII of the Social Security Act to cover transitional care services to improve the quality and cost effectiveness of care under the Medicare Program.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2009

Mr. BLUMENAUER (for himself, Mr. BOUSTANY, Mrs. CAPPS, and Mr. MASSA) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 cover transitional care services to improve the quality and cost effectiveness of care under the Medicare Program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Medicare Transitional Care Act of 2009''.

**SEC. 2. FINDINGS.**

Congress finds the following:

(1) More than 20 percent of older Americans suffer from five or more chronic conditions and these older adults typically require health care services from numerous providers across several care settings each year.

(2) Insufficient communication among older adults, family caregivers, and health care providers contributes to poor continuity of care, inadequate management of complex health care needs, and preventable hospital admissions.

(3) Research suggests that family caregivers often lack the knowledge, skills, and resources to effectively address the complex needs of older adults coping with multiple coexisting conditions.

(4) In 2005, health care services for Medicare beneficiaries with five or more chronic conditions accounted for 75 percent of total Medicare spending. The vast majority of these costs were due to high rates of hospital admission and readmission.

(5) According to Medicare claims data from 2003–2004, almost one fifth (19.6 percent) of the 11,855,702 Medicare beneficiaries who had been discharged from a hospital were rehospitalized within 30 days, and 34.0 percent were rehospitalized within 90 days.

(6) A New England Journal of Medicine study estimates that the cost to Medicare of unplanned re-hospitalizations in 2004 was $17.4 billion.

(7) The MetLife Caregiving Cost Study demonstrates that American businesses lose an estimated $34 billion each year due to employees' need to care for loved ones.

(8) The Transitional Care Model, developed by the University of Pennsylvania, is a care management strategy that identifies patients' health goals, coordinates care throughout acute episodes of illness, develops a streamlined plan of care to prevent future hospitalizations, and prepares the beneficiary and family caregivers to implement this care plan.

(9) The major goal of the Transitional Care Model is to interrupt cycles of avoidable hospitalizations and promote longer-term positive health outcomes.

(10) The Transitional Care Model has shown through multiple randomized clinical trials to produce significant health outcome improvements, reductions in health care costs among at-risk and chronically ill older adults, and increased patient satisfaction.

(11) Preliminary results from a clinical trial of the Guided Care Model (based on a Medical Home which includes transitional care) demonstrated reductions in hospital days, skilled nursing facility days, and home health episodes, as well as preliminary findings of net savings.

(12) A clinical trial of the Care Transitions Intervention demonstrated lower re-hospitalization rates and lower hospital costs per patient.

**SEC. 3. MEDICARE COVERAGE OF TRANSITIONAL CARE.**

Title XVIII of the Social Security Act is amended by adding at the end the following new section:

''COVERAGE OF TRANSITIONAL CARE SERVICES FOR QUALIFIED INDIVIDUALS

''SEC. 1899. (a) COVERAGE UNDER PART B.—

''(1) IN GENERAL.—In the case of a qualified individual (as defined in subsection (b)), the Secretary shall provide under part B for benefits for transitional care services (as defined in subsection (c)) furnished by a transitional care clinician (as defined in subsection (d)) acting as an employee of (or pursuant to a contract with) a qualified transitional care entity (as defined in paragraph (3)(A)) in accordance with this section during the transitional care period (as defined in paragraph (3)(B)) for the qualified individual.

''(2) INITIAL IMPLEMENTATION.—The Secretary shall first implement this section for services furnished on or after January 1, 2010.

''(3) GENERAL DEFINITIONS.—In this section:

''(A) QUALIFIED TRANSITIONAL CARE ENTITY.—The term 'qualified transitional care entity' means—

''(i) a hospital or a critical care hospital;

''(ii) a home health agency;

''(iii) a primary care practice;

''(iv) a federally qualified health center; or

''(v) another entity approved by the Secretary for purposes of this section.

''(B) TRANSITIONAL CARE PERIOD.—The term 'transitional care period' means, with respect to a qualified individual, the period—

''(i) beginning on the date the individual is admitted to a subsection (d) hospital (as defined for purposes of section 1886) for inpatient hospital services, or is admitted to a critical care hospital for inpatient critical access hospital services, for

which payment may be made under this title; and

''(ii) ending on the last day of the 90-day period beginning on the date of the individual's discharge from such hospital or critical care hospital.

''(b) QUALIFIED INDIVIDUALS.—

''(1) LIMITING FIRST PHASE OF IMPLEMENTATION TO HIGH-RISK INDIVIDUALS.—Except as provided in this subsection, qualified individuals are limited to individuals who—

''(A) have been admitted to a subsection (d) hospital (as defined for purposes of section 1886) for inpatient hospital services or to a critical care hospital for inpatient critical access hospital services; and

''(B) are identified by the Secretary as being at highest risk for readmission or for a poor transition from such a hospital to a post-hospital site of care.

The identification under subparagraph (B) shall be based on achieving a minimum hierarchical condition category score (specified by the Secretary) in order to target eligibility for benefits under this section to individuals with multiple chronic conditions and

other risk factors, such as cognitive impairment, depression, or a history of multiple hospitalizations.

''(2) SECOND PHASE OF IMPLEMENTATION.—After submitting to Congress the evaluation under subsection (i)(2) and considering any cost-savings and quality improvements from the prior implementation of this section, the Secretary may expand eligibility of qualified individuals to include moderate-risk and lower-risk individuals, as determined in accordance with eligibility criteria specified by the Secretary. In expanding eligibility, the Secretary may modify or scale transitional care services to meet the specific needs of moderate- and lower-risk individuals.

''(3) AVOIDING DUPLICATION OF SERVICES.—The Secretary shall ensure that qualified individuals receiving transitional care services are not receiving duplicative services under this title.

''(c) TRANSITIONAL CARE SERVICES DEFINED.—In this section, the term 'transitional care services' means services that support a qualified individual during the transitional care period and includes the following:

''(1) A comprehensive assessment prior to discharge including an assessment of the individual's physical and mental condition, cognitive and func-

tional capacities, medication regimen and adherence, social and environmental needs, and primary caregiver needs and resources.

''(2) Development of a comprehensive, evidenced-based plan of transitional care for the individual developed with the individual and the individual's primary caregiver and other health team members, identifying potential health risks, treatment goals, current therapies, and future services for both the individual and any primary caregiver.

''(3) A visit at the care setting within 24 hours after discharge from the hospital or critical access hospital.

''(4) Home visits to implement the plan of care.

''(5) Implementation of the plan of care, including—

''(A) addressing symptoms;

''(B) teaching and promoting self-management skills for the individual and any primary caregiver;

''(C) teaching and counseling the individual and the individual's primary caregiver (as appropriate) to assure adherence to medications and other therapies and avoid adverse events;

''(D) promoting individual access to primary care and community-based services;

''(E) coordinating services provided by other health team members and community caregivers; and

''(F) facilitating transitions to palliative or hospice care, where appropriate.

''(6) Accompanying the individual to follow-up physician visits, as appropriate.

''(7) Providing information and resources about conditions and care.

''(8) Educating and assisting the individual and the individual's primary caregiver to arrange and coordinate clinician visits and health care services.

''(9) Informing providers of services and suppliers of those items and services that have been ordered for and received by the individual from other providers.

''(10) Working with providers of services and suppliers to assure appropriate referrals to specialists, tests, and other services.

''(11) Educating and assisting the individual and the individual's primary caregiver with arranging and coordinating community resources and support services (such as medical equipment, meals,

homemaker services, assistance with daily activities, shopping, and transportation).

''(12) Providing to the qualified individual, primary caregiver, and appropriate clinicians and qualified transitional care entity providing ongoing care at the conclusion of the transitional care period a written summary that includes the goals established in the plan of care described in paragraph (2), progress in achieving such goals, and remaining treatment needs.

''(13) Other services that the Secretary determines are appropriate.

The Secretary shall determine and update the services to be included in transitional care services as appropriate, based on the evidence of their effectiveness in reducing hospital readmissions and improving health outcomes.

''(d) TRANSITIONAL CARE CLINICIANS.—

''(1) IN GENERAL.—In this section, the term 'transitional care clinician' means, with respect to a qualified individual, a nurse or other health professional who—

''(A) has received specialized training in the clinical care of people with multiple chronic conditions (including medication management) and communication and coordination with mul-

tiple providers of services, suppliers, patients, and their primary caregivers;

''(B) is supported by an interdisciplinary team in a manner that assures continuity of care throughout a transitional care period and across care settings (including the residences of qualified individuals);

''(C) is employed by (or has a contract with) with a qualified transitional care entity for the furnishing of transitional care services; and

''(D) meets such participation criteria as the Secretary may specify consistent with this subsection.

''(2) PARTICIPATION CRITERIA.—In establishing participation criteria under paragraph (1)(C), the Secretary shall assure that transitional care clinicians meet relevant experience and training requirements and have the ability to meet the individual needs of qualified individuals.

''(3) ENCOURAGEMENT OF HIT.—The Secretary may provide for an additional payment to encourage transitional care clinicians and qualified transitional care entities to use health information technology in the provision of transitional care services.

''(e) PAYMENT.—

''(1) IN GENERAL.—The Secretary shall determine the method of payment for transitional care services under this section, including appropriate risk adjustment that reflects the differences in resources needed to provide transitional care services to individuals with differing characteristics and circumstances and, when applicable, the performance measures under subsection (f). The payment amount shall be sufficient to ensure the provision of necessary transitional care services throughout the transitional care period. The payment shall be structured in a manner to explicitly recognize transitional care as an episode of services that crosses multiple care settings, providers of services, and suppliers. The payment with respect to transitional care services furnished by a transitional care clinician shall be made, notwithstanding any other provision of this title, to the qualified transitional care entity which employs, or has a contract with, the clinician for the furnishing of such services.

''(2) NO COST-SHARING.—Notwithstanding section 1833, there shall be no deductible or cost-sharing applicable to payment under this section for transitional care services.

''(f) PERFORMANCE MEASURES.—

''(1) ACCOUNTABILITY.—

''(A) IN GENERAL.—The Secretary shall establish a method whereby qualified transitional care entities responsible for furnishing transitional care services would be held accountable for process and outcome performance measures specified by the Secretary from those that have been endorsed by the National Quality Forum.

''(B) DEVELOPMENT AND ENDORSEMENT OF PERFORMANCE MEASURE SET.—For purposes of carrying out subparagraph (A), the Secretary shall enter into an arrangement—

''(i) with the National Quality Forum for the evaluation, endorsement, and recommendation of an appropriate set of performance measures for transitional care services and for the identification of gaps in available measures; and

''(ii) with the Agency for Healthcare Research and Quality to support measure development, to fill gaps in available measures, and to provide for the ongoing main-

tenance of the set of performance measures for transitional care services.

''(2) PAY FOR PERFORMANCE.—As soon as practicable after reliable process and outcome performance measures have been endorsed and specified under subparagraph (A), the Secretary shall provide that the payment amounts under subsection (e) for transitional care services shall be linked to performance on such measures.

''(3) PUBLIC REPORTING.—The Secretary shall establish a mechanism to publicly report on a qualifying entity's transitional care performance on such measures, including providing benchmarks to identify high performers and those practices that contribute to lower hospital readmission rates.

''(4) DISSEMINATION OF INFORMATION ON BEST PRACTICES.—The Secretary shall disseminate information on best practices used by transitional care clinicians and qualifying transitional care entities in furnishing transitional care services for purposes of application in other settings, such as in conditions of participation under this title, under the Quality Improvement Organization (QIO) Program under part B of title XI, and public-private quality alliances, such as the Hospital Quality Alliance.

''(g) NOTIFICATION OF ELIGIBILITY AND COORDINATION WITH HOSPITAL DISCHARGE PLANNING.—In establishing standards for discharge planning under section 1861(ee)(1), the Secretary shall require each subsection (d) hospital and each critical care hospital—

''(1) to identify, as soon as practicable after admission, those patients who are qualified individuals under this section; and

''(2) to provide to such patients and their primary caregivers a list of qualified transitional care entities available to arrange for the provision of transitional care services, a list of transitional services provided under this section, and a notice that the transitional care service benefit is provided to qualified individuals with no deductible or cost-sharing.

Nothing in this section shall be construed as preventing such a hospital from entering into an agreement with a qualified transitional care entity or a transitional care clinician for the furnishing of transitional care services to the hospital's patients.

''(h) PREVENTION OF INAPPROPRIATE STEERING.—The Secretary shall promulgate such regulations as the Secretary deems necessary to address any protections needed, beyond those otherwise provided under law and

regulations, to prevent inappropriate steering of qualified individuals to providers of services, suppliers, qualified transitional care entities, or transitional care clinicians, under this section or inappropriate limitations on access to needed transitional care services under this section.

''(i) EVALUATION OF BENEFIT.—

''(1) IN GENERAL.—The Secretary shall evaluate the performance of the transitional care benefit under this section by measuring the following (for those receiving transitional care services and those not receiving such services):

''(A) Admission rates to health care facilities.

''(B) Hospital readmission rates.

''(C) Cost of transitional care and all other health care services.

''(D) Quality of transitional care experiences.

''(E) Measures of quality and efficiency.

''(F) Beneficiary, primary caregiver, and provider experience.

''(G) Health outcomes.

''(H) Reductions in expenditures under this title over time.

''(2) REPORT.—The Secretary shall submit a report to Congress no later than April 1, 2013, on the performance measures achieved by the transitional care benefit in the first 2 years of implementation. After submitting such report, the Secretary may expand the benefit to moderate-risk and lower-risk individuals in accordance with subsection (b)(2).''.

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