

113TH CONGRESS
1ST SESSION

S. 596

To establish pilot projects under the Medicare program to provide incentives for home health agencies to furnish remote patient monitoring services that reduce expenditures under such program.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 2013

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

A BILL

To establish pilot projects under the Medicare program to provide incentives for home health agencies to furnish remote patient monitoring services that reduce expenditures under such program.

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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Fostering Independence Through Technology Act of
6 2013”.

7 (b) FINDINGS.—Congress makes the following find-
8 ings:

1 (1) Allowing seniors to remain in their homes
2 longer can delay unnecessary, costly transfers to
3 higher acuity care settings.

4 (2) Remote patient monitoring provides oppor-
5 tunities to control chronic conditions and research
6 shows that approximately 66 percent of total health
7 care spending is associated with care for the over
8 one-in-four Americans with multiple chronic condi-
9 tions.

10 (3) Current remote patient monitoring pro-
11 grams report patient satisfaction rates of over 90
12 percent.

13 (4) Due to changes enacted by Congress, hos-
14 pitals are facing payment penalties for patients that
15 are readmitted to the hospital within 30 days of dis-
16 charge.

17 (5) Current remote patient monitoring pro-
18 grams that use technology to monitor discharged pa-
19 tients in non-invasive ways have experienced a re-
20 duction in hospital readmissions.

21 **SEC. 2. REMOTE PATIENT MONITORING AND SUPPORT**
22 **PILOT PROJECTS.**

23 (a) PILOT PROJECTS.—

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

1 retary of Health and Human Services (in this sec-
2 tion referred to as the “Secretary”) shall conduct
3 pilot projects under title XVIII of the Social Secu-
4 rity Act for the purpose of providing incentives to
5 home health agencies to furnish remote patient mon-
6 itoring services that reduce expenditures under such
7 title.

8 (2) SITE REQUIREMENTS.—

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

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

16 (3) DEFINITIONS.—In this section:

17 (A) HOME HEALTH AGENCY.—The term
18 “home health agency” has the meaning given
19 that term in section 1861(o) of the Social Secu-
20 rity Act (42 U.S.C. 1395x(o)).

21 (B) REMOTE PATIENT MONITORING SERV-
22 ICES.—

23 (i) IN GENERAL.—The term “remote
24 patient monitoring services” means serv-
25 ices furnished in the home using remote

1 patient monitoring technology, including
2 in-home technology based professional con-
3 sultations, patient monitoring, patient
4 training services, clinical observation, as-
5 sessment, treatment, and any additional
6 services that utilize technologies specified
7 by the Secretary.

8 (ii) LIMITATION.—The term “remote
9 patient monitoring services” shall not in-
10 clude a telecommunication that consists
11 solely of a telephone audio conversation,
12 facsimile, or electronic text mail between a
13 health care professional and a patient.

14 (C) REMOTE PATIENT MONITORING TECH-
15 NOLOGY.—The term “remote patient moni-
16 toring technology” means a coordinated system
17 that uses one or more home-based or mobile
18 monitoring devices that are accessed by a pa-
19 tient and automatically transmit clinical data
20 and responses to assessment questions collected
21 on the devices wirelessly or through a tele-
22 communications connection to a server that
23 complies with the Federal regulations (con-
24 cerning the privacy of individually identifiable
25 health information) promulgated under section

1 264(c) of the Health Insurance Portability and
2 Accountability Act of 1996, as part of an estab-
3 lished plan of care for that patient that includes
4 the review and interpretation of that data by a
5 health care professional.

6 (b) MEDICARE BENEFICIARIES WITHIN THE SCOPE
7 OF PROJECTS.—

8 (1) IN GENERAL.—The Secretary shall specify
9 the criteria for identifying those Medicare bene-
10 ficiaries who shall be considered within the scope of
11 the pilot projects under this section for purposes of
12 the application of subsection (c) and for the assess-
13 ment of the effectiveness of the home health agency
14 in achieving the objectives of this section.

15 (2) The criteria specified under paragraph
16 (1)—

17 (A) shall include conditions and clinical
18 circumstances, including congestive heart fail-
19 ure, diabetes, and chronic pulmonary obstruc-
20 tive disease, and other conditions determined
21 appropriate by the Secretary; and

22 (B) may provide for the inclusion in the
23 projects of Medicare beneficiaries who begin re-
24 ceiving home health services under title XVIII

1 of the Social Security Act after the date of the
2 implementation of the projects.

3 (c) INCENTIVES.—

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

10 (A) ADJUSTED HISTORICAL PERFORMANCE
11 TARGET.—The Secretary shall establish for the
12 agency—

13 (i) a base expenditure amount equal
14 to the average total payments made under
15 parts A, B, and D of title XVIII of the So-
16 cial Security Act for Medicare beneficiaries
17 determined to be within the scope of the
18 pilot project in a base period determined
19 by the Secretary; and

20 (ii) an annual per capita expenditure
21 target for such beneficiaries, reflecting the
22 base expenditure amount adjusted for risk,
23 changes in costs, and growth rates.

24 (B) COMPARATIVE PERFORMANCE TAR-
25 GET.—The Secretary shall establish for the

1 agency a comparative performance target equal
2 to the average total payments under such parts
3 A, B, and D during the pilot project for com-
4 parable individuals in the same geographic area
5 that are not determined to be within the scope
6 of the pilot project.

7 (2) PAYMENT.—Subject to paragraph (3), the
8 Secretary shall pay to each participating home care
9 agency a payment for each year under the pilot
10 project equal to a 75 percent share of the total
11 Medicare cost savings realized for such year relative
12 to the performance target under paragraph (1).

13 (3) LIMITATION ON EXPENDITURES.—The Sec-
14 retary shall limit payments under this section in
15 order to ensure that the aggregate expenditures
16 under title XVIII of the Social Security Act (includ-
17 ing payments under this subsection) do not exceed
18 the amount that the Secretary estimates would have
19 been expended if the pilot projects under this section
20 had not been implemented, including any reasonable
21 costs incurred by the Secretary in the administration
22 of the pilot projects.

23 (4) NO DUPLICATION IN PARTICIPATION IN
24 SHARED SAVINGS PROGRAMS.—A home health agen-
25 cy that participates in any of the following shall not

1 be eligible to participate in the pilot project under
2 this section:

3 (A) A model tested or expanded under sec-
4 tion 1115A that involves shared savings under
5 this title or any other program or demonstra-
6 tion project that involves such shared savings.

7 (B) The independence at home medical
8 practice pilot program under section 1866E.

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

13 (e) REPORT TO CONGRESS.—Not later than 3 years
14 after the date that the first pilot project under this section
15 is implemented, the Secretary shall submit to Congress a
16 report on the projects. Such report shall contain—

17 (1) a detailed description of the projects, in-
18 cluding any changes in clinical outcomes for Medi-
19 care beneficiaries under the projects, Medicare bene-
20 ficiary satisfaction under the projects, utilization of
21 items and services under Medicare parts A, B, and
22 D by Medicare beneficiaries under the projects, and
23 Medicare per-beneficiary and Medicare aggregate
24 spending under the projects;

1 (2) a detailed description of issues related to
2 the expansion of the projects under subsection (f);

3 (3) recommendations for such legislation and
4 administrative actions as the Secretary considers ap-
5 propriate; and

6 (4) other items considered appropriate by the
7 Secretary.

8 (f) EXPANSION.—If the Secretary determines that
9 any of the pilot projects under this section enhance health
10 outcomes for Medicare beneficiaries and reduce expendi-
11 tures under title XVIII of the Social Security Act, the Sec-
12 retary shall initiate comparable projects in additional
13 areas.

14 (g) PAYMENTS HAVE NO EFFECT ON OTHER MEDI-
15 CARE PAYMENTS TO AGENCIES.—A payment under this
16 section shall have no effect on the amount of payments
17 that a home health agency would otherwise receive under
18 title XVIII of the Social Security Act for the provision
19 of home health services.

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