I

112TH CONGRESS
2D SESSION

H. R. 6413

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.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2012

Mr. BLUMENAUER (for himself, Mr. PETRI, Ms. SCHWARTZ, and Ms. SCHAKOWSKY) 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.

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 ''Medicare Transitional
5 Care Act of 2012''.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) More than 20 percent of older Americans
2 suffer from 5 or more chronic conditions and these
3 older adults typically require health care services
4 from numerous providers across several care settings
5 each year.
6 (2) Insufficient communication among older
7 adults, family caregivers, and health care providers
8 during transitions from one care setting to another
9 contributes to poor continuity of care, inadequate
10 management of complex health care needs, medica-
11 tion errors, and preventable hospital readmissions.
12 These failures create serious patient safety, quality
13 of care, and health outcome concerns.
14 (3) Research suggests that family caregivers
15 often lack the knowledge, skills, and resources to ef-
16 fectively address the complex needs of older adults
17 coping with multiple coexisting conditions.
18 (4) In 2005, health care services for Medicare
19 beneficiaries with 5 or more chronic conditions ac-
20 counted for 75 percent of total Medicare spending.
21 The vast majority of these costs were due to high
22 rates of hospital admission and readmission.
23 (5) According to Medicare claims data from
24 2003–2004, almost one fifth (19.6 percent) of the
25 11,855,702 Medicare beneficiaries who had been dis-

charged from a hospital were rehospitalized within 30 days, and 34.0 percent were rehospitalized within 90 days.

(6) The Medicare Payment Advisory Commission estimates that hospital readmissions cost Medicare approximately $15 billion per year, $12 billion of which is for cases considered preventable.

(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) There are a number of care models that are designed to enhance coordination during transitions from care settings, including—

(A) the Transitional Care Model;

(B) the Care Transitions Intervention;

(C) the Guided Care Model;

(D) Project Boost;

(E) Project Re-Engineered Discharge; and

(F) the Enhanced Discharge Planning Program.

(9) These care models and others have demonstrated that effective care transitions lead to improvements in overall health care quality and result

1 in savings to patients and the United States health
2 care system.
3 (10) The Transitional Care Model, developed by
4 the University of Pennsylvania, is a care manage-
5 ment strategy that identifies patients' health goals,
6 coordinates care throughout acute episodes of illness,
7 develops a streamlined plan of care to prevent future
8 hospitalizations, and prepares the beneficiary and
9 family caregivers to implement this care plan. This
10 model has shown through multiple randomized clin-
11 ical trials to produce significant health outcome im-
12 provements, reductions in health care costs among
13 at-risk and chronically ill older adults, and increased
14 patient satisfaction.
15 (11) The Care Transitions Intervention, devel-
16 oped by Eric Coleman, is primarily a transitions
17 self-management model that provides coaching,
18 skills, and tools to help patients and caregivers as-
19 sert a more active role during transitions. This
20 intervention has demonstrated lower rehospitaliza-
21 tion rates and lower hospital costs per patient.
22 (12) The National Transitions of Care Coalition
23 has developed the Transition of Care Compendium,
24 providing a centralized resource for providers to ac-

cess all currently available evidence-based interventions and tools.

SEC. 3. MEDICARE COVERAGE OF TRANSITIONAL CARE SERVICES.

(a) COVERAGE.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended—

(1) in subsection (s)(2)—

(A) by striking ''and'' at the end of subparagraph (EE);

(B) by adding ''and'' at the end of subparagraph (FF); and

(C) by inserting after subparagraph (FF) the following new subparagraph:

''(GG) transitional care services (as defined in subsection (iii)(1));''; and

(2) by adding at the end the following new subsection:

''Transitional Care Services

''(iii)(1) The term 'transitional care services' means services described in paragraph (2) furnished to a qualified individual (described in paragraph (3)) by a transitional care clinician (as defined in paragraph (4)) acting as an employee of (or pursuant to a contract with) a qualified transitional care entity (as defined in paragraph (5))

1 during the transitional care period (as defined in para-
2 graph (6)) for the qualified individual.

3 ‘‘(2) The services described in this paragraph are
4 services that support a qualified individual during the
5 transitional care period and include the following:

6 ‘‘(A) A comprehensive assessment of the indi-
7 vidual prior to the individual’s transition from one
8 care facility to another care facility or home, includ-
9 ing an assessment of the individual’s physical and
10 mental condition, cognitive and functional capacities,
11 medication regimen and adherence, social and envi-
12 ronmental needs, and primary caregiver needs and
13 resources.

14 ‘‘(B) Development of a comprehensive, evi-
15 denced-based plan of care for the individual devel-
16 oped with the individual and the individual’s primary
17 caregiver and other health team members, identi-
18 fying potential health risks, treatment goals, current
19 therapies, and future services for both the individual
20 and any primary caregiver.

21 ‘‘(C) Development of a comprehensive medica-
22 tions management plan that ensures the safe use of
23 medications and is based on the individual’s plan of
24 care. Such management plan shall include the fol-
25 lowing:

1 "(i) Identification of individual's medications in use (including prescription and non-prescription medications).

4 "(ii) Assessment and (if needed) consultation with key medical providers to ensure medications are necessary, appropriate, and free of discrepancies.

8 "(iii) Assessment of the individual and family caregiver's health literacy regarding the ability to properly follow medication instructions.

12 "(iv) Individual and family education and counseling about medications.

14 "(v) 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.

19 "(D) Implementation of a plan to facilitate the safe transition of the individual from one level of care, care setting, or provider to another, which transition plan shall include at least the following:

23 "(i) A process to address the individual's symptoms.

1 “(ii) An established process for the individual and family caregivers to receive timely access to key health care providers during an episode of care as required by the individual’s condition.

6 “(iii) An established process for communicating with the individual, family caregivers, and other health care providers posttransition from an episode of care.

10 “(iv) A system that ensures ownership, responsibility, and accountability for the care of the individual at all times, including identifying and documenting any family caregiver (or caregivers) that exist.

15 “(v) Providing information and resources about condition and care choices to adequately prepare the individual and caregivers for informed decisionmaking.

19 “(E) Providing to the qualified individual, primary caregiver, and appropriate clinicians and the 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 subparagraph

1 (B), progress in achieving such goals, and remaining
2 treatment needs.

3 "(F) Other services that the Secretary deter-
4 mines are appropriate.

5 The Secretary shall determine and update from time to
6 time the services to be included in transitional care serv-
7 ices as appropriate, based on the evidence of their effec-
8 tiveness in reducing hospital readmissions and improving
9 health outcomes.

10 "(3)(A) In this subsection, subject to subparagraph
11 (C), the term 'qualified individual' means an individual
12 who—

13 "(i) has been admitted to a subsection (d) hos-
14 pital (as defined for purposes of section 1886) for
15 inpatient hospital services or to a critical care hos-
16 pital for inpatient critical access hospital services;
17 and

18 "(ii) is identified by the Secretary as being at
19 highest risk for readmission or for a poor transition
20 from such a hospital to a posthospital site of care.

21 "(B) The identification under subparagraph (A)(ii)
22 shall be based on achieving a minimum hierarchical condi-
23 tion category score (specified by the Secretary) in order
24 to target eligibility benefits under this subsection to indi-
25 viduals with multiple chronic conditions and other risk fac-

1 tors, such as cognitive impairment, depression, or a his-
2 tory of multiple hospitalizations.
3 ''(C) After submitting to Congress the evaluation
4 under section 2(d) of the Medicare Transitional Care Act
5 of 2012 and considering any cost savings and quality im-
6 provements from the prior implementation of transitional
7 care services under this title, the Secretary may expand
8 eligibility of qualified individuals to include moderate-risk
9 and lower-risk individuals, as determined in accordance
10 with eligibility criteria specified by the Secretary. In ex-
11 panding eligibility, the Secretary may modify or scale
12 transitional care services to meet the specific needs of
13 moderate-risk and lower-risk individuals.
14 ''(D) The Secretary shall ensure that qualified indi-
15 viduals receiving transitional care services are not receiv-
16 ing duplicative services under this title.
17 ''(4)(A) The term 'transitional care clinician' means,
18 with respect to a qualified individual, a nurse, case man-
19 ager, social worker, physician assistant, physician, phar-
20 macist, or other licensed health professional who—
21 ''(i) has received specialized training in the clin-
22 ical care of people with multiple chronic conditions
23 (including medication management) and communica-
24 tion and coordination with multiple providers of

services, suppliers, patients, and their primary caregivers;

"(ii) 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);

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

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

"(B) In establishing participation criteria under subparagraph (A)(iv), the Secretary shall assure that transitional care clinicians meet relevant scope of practice and training requirements and have the ability to meet the individual needs of qualified individuals.

"(5) The term 'qualified transitional care entity' means—

"(A) a hospital or a critical care hospital;

"(B) a home health agency;

"(C) a primary care practice;

"(D) a federally qualified health center;

"(E) a long-term care facility;

1 ‘‘(F) a medical home;
2 ‘‘(G) an appropriate community-based organiza-
3 tion described in section 3026(b)(1)(B) of the Pa-
4 tient Protection and Affordable Care Act (42 U.S.C.
5 1395b–1 note);
6 ‘‘(H) an assisted living center;
7 ‘‘(I) an accountable care organization; and
8 ‘‘(J) another entity approved by the Secretary
9 for purposes of this subsection.
10 ‘‘(6) The term ‘transitional care period’ means, with
11 respect to a qualified individual, the period—
12 ‘‘(A) beginning on the date the individual is ad-
13 mitted to a subsection (d) hospital (as defined for
14 purposes of section 1886) for inpatient hospital serv-
15 ices or is admitted to a critical care hospital for in-
16 patient critical access hospital services, for which
17 payment may be made under this title; and
18 ‘‘(B) ending on the last day of the 90-day pe-
19 riod beginning on the date of the individual’s dis-
20 charge from such hospital or critical care hospital.’’.
21 (b) PAYMENT AND PERFORMANCE MEASURES.—Sec-
22 tion 1833 of such Act (42 U.S.C. 1395l) is amended—
23 (1) in subsection (a)(1), by striking ‘‘and’’ be-
24 fore ‘‘(Z)’’ and by inserting before the semicolon at
25 the end the following: ‘‘, and (AA) with respect to

1 transitional care services (as defined in section
2 1861(iii)(1)), the amounts paid shall be 100 percent
3 of the amount determined under subsection (z)'';
4 (2) in the first sentence of subsection (b), by in-
5 serting ''or transitional care services (as defined in
6 section 1861(iii)(1))'' after ''(as defined in section
7 1861(hh)(1))''; and
8 (3) by adding at the end the following new sub-
9 section:
10 ''(z) PAYMENT AND PERFORMANCE MEASURES FOR
11 TRANSITIONAL CARE SERVICES.—
12 ''(1) PAYMENT.—
13 ''(A) IN GENERAL.—The Secretary shall
14 determine the method of payment for transi-
15 tional care services under this part, including
16 appropriate risk adjustment that reflects the
17 differences in resources needed to provide tran-
18 sitional care services to individuals with dif-
19 fering characteristics and circumstances and,
20 when applicable, the performance measures
21 under paragraph (3). The payment amount
22 shall be sufficient to ensure the provision of
23 necessary transitional care services throughout
24 the transitional care period. The payment shall
25 be structured in a manner to explicitly recog-

1 nize transitional care as an episode of services
2 that crosses multiple care settings, providers of
3 services, and suppliers. The payment with re-
4 spect to transitional care services furnished by
5 a transitional care clinician shall be made, not-
6 withstanding any other provision of this title, to
7 the qualified transitional care entity which em-
8 ploys, or has a contract with, the clinician for
9 the furnishing of such services.

10 ''(B) HIT INCENTIVE PAYMENT.—The
11 Secretary may provide for an additional pay-
12 ment with respect to transitional care services
13 to encourage transitional care clinicians and
14 qualified transitional care entities to use health
15 information technology in the provision of such
16 services.

17 ''(C) NO PAYMENT FOR REQUIRED DIS-
18 CHARGE PLANNING SERVICES.—Payment shall
19 not be made for transitional care services under
20 this subsection for an entity insofar as such
21 services are otherwise required to be provided
22 through the discharge planning process under
23 section 1861(ee) or under conditions of partici-
24 pation for the entity under section 1866.

25 ''(2) PERFORMANCE MEASURES.—

1 "(A) ACCOUNTABILITY.—
2 "(i) IN GENERAL.—The Secretary
3 shall establish a method whereby qualified
4 transitional care entities responsible for
5 furnishing transitional care services are
6 held accountable for process and outcome
7 based on performance measures specified
8 by the Secretary from those that have been
9 endorsed by the National Quality Forum
10 or similar standard-setting organization or
11 are otherwise used in other quality pro-
12 grams under this title or title XIX.
13 "(ii) DEVELOPMENT AND ENDORSE-
14 MENT OF PERFORMANCE MEASURE SET.—
15 For purposes of carrying out clause (i), the
16 Secretary shall enter into an arrange-
17 ment—
18 "(I) with the National Quality
19 Forum for the evaluation, endorse-
20 ment, and recommendation of addi-
21 tional performance measures for tran-
22 sitional care services and to identify
23 remaining gaps in available measures,
24 including measures to both the send-

1 ing and receiving side of the transi-
2 tion; and

3 "(II) with the Agency for
4 Healthcare Research and Quality to
5 support measure development, to fill
6 gaps in available measures, to conduct
7 comparative effectiveness research of
8 transitional care models and tools,
9 and to provide for the ongoing main-
10 tenance of the set of performance
11 measures for transitional care serv-
12 ices.

13 "(B) PAY FOR PERFORMANCE.—As soon
14 as practicable after reliable process and out-
15 come performance measures have been endorsed
16 and specified under subparagraph (A), the Sec-
17 retary shall provide that the payment amounts
18 under paragraph (1) for transitional care serv-
19 ices shall be linked to performance on such
20 measures.

21 "(C) PUBLIC REPORTING.—The Secretary
22 shall establish a mechanism to publicly report
23 on a qualifying transitional care entity's per-
24 formance on such measures, including providing
25 benchmarks to identify high performers and

1 those practices that contribute to lower hospital
2 readmission rates.
3 "(D) DISSEMINATION OF INFORMATION ON
4 BEST PRACTICES.—The Secretary shall dissemi-
5 nate information on best practices used by tran-
6 sitional care clinicians and qualified transitional
7 care entities in furnishing transitional care
8 services for purposes of application in other set-
9 tings, such as in conditions of participation
10 under this title, under the Quality Improvement
11 Organization Program under part B of title XI,
12 and public-private quality alliances, such as the
13 Hospital Quality Alliance.
14 "(3) PREVENTION OF INAPPROPRIATE STEER-
15 ING.—The Secretary shall promulgate such regula-
16 tions as the Secretary deems necessary to address
17 any protections needed, beyond those otherwise pro-
18 vided under law and regulations, to prevent inappro-
19 priate steering of qualified individuals to providers
20 of services, suppliers, qualified transitional care enti-
21 ties, or transitional care clinicians, under this part
22 or inappropriate limitations on access to needed
23 transitional care services under this part.".
24 (c) COORDINATION WITH HOSPITAL DISCHARGE
25 PLANNING.—Section 1861(ee)(2) of such Act (42 U.S.C.

1395x(ee)(2)) is amended by adding at the end the following:

"(I) In the case of subsection (d) hospitals and critical care hospitals, the hospital must—

"(i) identify, as soon as practicable after admission, those patients who are qualified individuals described in paragraph (3) of section 1861(iii); and

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

Nothing in subparagraph (I) shall be construed as preventing a hospital or critical care 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.".

(d) EVALUATION; REPORT.—

1 (1) IN GENERAL.—The Secretary of Health and
2 Human Services shall evaluate the performance of
3 the transitional care benefit under the amendments
4 made by this section by measuring the following,
5 both for individuals receiving transitional care serv-
6 ices and for individuals not receiving such services:
7 (A) Admission rates to health care facili-
8 ties.
9 (B) Hospital readmission rates.
10 (C) Cost of transitional care and all other
11 health care services.
12 (D) Quality of transitional care experi-
13 ences.
14 (E) Measures of quality and efficiency.
15 (F) Beneficiary experience.
16 (G) Health outcomes.
17 (H) Reductions in expenditures under this
18 title over time.
19 (2) REPORT.—The Secretary shall submit a re-
20 port to Congress no later than April 1, 2016, on the
21 performance measures achieved by the transitional
22 care benefit in the first 2 years of implementation.
23 After submitting such report, the Secretary may ex-
24 pand the benefit to moderate-risk and lower-risk in-

1 dividuals under section 1861(iii)(3)(B) of the Social
2 Security Act, as added by subsection (a).
3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to services furnished on or after
5 January 1, 2013.

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