SECTION-BY-SECTION ANALYSIS
THE INDEPENDENCE AT HOME ACT OF 2017 (S. 464)

SECTION 1. SHORT TITLE: *"The Independence at Home Act of 2017"*

SECTION 2. INDEPENDENCE AT HOME MEDICAL PRACTICE PROGRAM

Section 2(a)
INDEPENDENCE AT HOME MEDICAL PRACTICE PROGRAM ESTABLISHED UNDER SEC. 1866F

- Section 2 (a) amends title XVIII (Medicare) of the Social Security Act under Sect. 1866 F and provides an overview of the program and its intended goals.
- In general, the program (to be established within 18 months of enactment of the legislation) utilizes primary care teams, directed by physicians, nurse practitioners, or physician assistants, to deliver home-based care that is explicitly designed to reduce expenditures and improve health outcomes for applicable beneficiaries.
- Specifically, independence at home medical practices shall be accountable for providing comprehensive, coordinated, continuous, and accessible care to applicable beneficiaries, resulting in improvements across multiple domains specified in (2)(a)(2)(A) through (G), such as reduced preventable hospitalizations and reduced emergency room visits.

Section 2(b)
INDEPENDENCE AT HOME MEDICAL PRACTICE DEFINED

- IAH Medical Home Practices must meet a number of requirements specified in this section, including being comprised of either individual or a group of practitioners organized, at least in part, for the purpose of furnishing physicians' services.
- Additionally, an IAH medical practice must have experience furnishing home-based primary care services, have experience making in-home visits, be available 24 hours/7 days a week, enter into an agreement with the Secretary, furnish services to at least 200 applicable beneficiaries, use certified electronic health record technology, and meet other criteria that the Secretary of Health and Human Services deems appropriate.
- Other affiliated providers and practitioners, such as pharmacists, are not prevented from being included in an IAH medical practice.

Section 2 (c)
QUALITY MEASURES AND PERFORMANCE STANDARDS

- The Secretary is granted the authority to determine appropriate quality measures, as well as to determine the form, manner, and frequency at which data shall be reported. The Secretary also must establish quality performance standards for eligibility for incentive payments created under the legislation.

Section 2(d)
INCENTIVE PAYMENT METHODOLOGY SPECIFIED

- The Secretary will establish an estimated annual spending target for each IAH medical practice. The target will be based on an estimated amount of spending that would have occurred in absence of the IAH medical practice program, specifically for items and services covered under Medicare parts A and B.
- The target will be determined on a per capita basis, and include risk corridors to account for normal variation in spending, relative to the number of beneficiaries served by the IAH medical practice.

- The Secretary may make other adjustments or take other factors into account in determining the payment methodology as well.
- IAH medical practices that meet the quality performance standards determined by the Secretary in section 2 (c)(2) are eligible to receive incentive payments, as long as their actual expenditures for a year for their attributed applicable beneficiaries are less than the estimated spending target.
- IAH medical practices have the opportunity to earn up to 80 percent of the actual savings achieved, providing they achieve a minimum 5% annual savings requirement and meet quality threshold metrics.

Section 2(e)

APPLICABLE BENEFICIARY DEFINED

- Applicable beneficiaries are defined as Medicare beneficiaries entitled to Part A and enrolled in Part B, not enrolled in a Medicare Advantage plan or PACE program, not attributed to another type of shared savings program or model, and not determined to have end stage renal disease or be receiving dialysis at home.
- Applicable beneficiaries must have two or more chronic illnesses, and during the 12-month period before their attribution to an IAH medical practice, they must have had a nonelective hospital admission and subsequently received post-acute care services at a skilled nursing facility, inpatient rehabilitation facility, or home health agency.
- They also must have two or more functional dependencies requiring the assistance of another person, and meet other criteria determined by the Secretary.
- Beneficiaries receiving treatment at one IAH medical practice who switch plans to another do not have to meet the 12-month prior hospitalization requirements. Enrollment in an IAH medical practice does not exclude beneficiaries from receiving any Medicare covered benefits or services.
- Enrollment in an IAH medical practice shall be voluntary for applicable beneficiaries.

Section 2 (f)

THREE YEAR PRACTICE AGREEMENTS AND RENEWAL AUTHORITY ESTABLISHED

- Each practice may enter into agreements with the Secretary for no more than three years. The Secretary may renew agreements with an IAH medical practice.

Section 2 (g)

ADDITIONAL SERVICES MAY BE PAID BY PRACTICES

- IAH medical practices may furnish applicable beneficiaries with additional services that are not covered under Medicare Parts A and B.

Section 2 (h)

WAIVER AUTHORITY

- The Secretary may waive certain aspects of the Medicare program in implementing the IAH program.
- The Secretary may only waive the collection of coinsurance that is payable by individuals under section 1833(a)(1) if the Chief Actuary of CMS certifies that such a waiver would reduce (or would not result in any increase in) net program spending under this title.

Section 2 (i)

CERTAIN ADMINISTRATIVE RULES WAIVED

Chapter 35 of Title 44, United States Code, does not apply to the program.

Section 2 (j)

TERMINATION, MANDATORY AND PERMISSIVE

- Outlines when the Secretary shall and may terminate a program's participation in the program.
  - Mandatory termination occurs if an IAH medical practice does not qualify for an incentive payment under subsection (d)(2) for the third of three consecutive years, or if an IAH medical practice does not meet a minimum number of quality performance standards.
  - The Secretary may also terminate an agreement with an IAH medical practice for other reasons determined by the Secretary.

Section 2 (k)

TRANSITION FROM A DEMONSTRATION

- Allows for a transition to occur for medical practices and applicable beneficiaries participating in the Independence at Home Demonstration program to the program described in this legislation.
- Individuals receiving similar services as described in this program, but not currently participating in a demonstration, are also given flexibility to transition into the IAH program.

Section 2 (l)

LIMITATION ON REVIEW

- There shall be no administrative or judicial review under section 1869, section 1878 or otherwise of several aspects of the program including the attribution of beneficiaries to the practices, estimated spending targets, assessment and application of quality measurement, and eligibility and termination of practices.

Section (b)

GAO STUDY AND REPORT

- Calls for the Comptroller General of the United States to conduct a study, through the U.S. Government Accountability Office (GAO), on the IAH medical practice program.
- The study will assess the medical practices participating in the program, the expenditures under the program, the care beneficiaries are receiving, and other areas appropriate for GAO study.
- The resulting report produced by the GAO will be made available no more than 3 years after the date of implementation of this program.

Section (c)

REVISIONS TO EXISTING DEMONSTRATION PROGRAM

- Allows existing IAH demonstration participants to continue in the program during transition to the nationwide program. Lifts the 10,000 participant cap on existing IAH medical practice demonstration practices.