

Dr. Thoumaian – 6/16 Disability Wing

Our next speaker is Dr. Armen Thoumaian. And Dr. Thoumaian is going to talk to us about two very interesting demonstrations for disabled beneficiaries: One impacts the definition of home bound and the other is Adult Day Care Services for people who are home bound and receive home health care services.

Dr. Thoumaian, before we begin, can you help us by giving us a history lesson? The history behind the home health issues and then, you know, we used the word demonstration, so, when we talk about a demonstration, what are we saying and why are they important to us?

>> Okay, I assume the history is direct history leading to this particular demonstration?

>> Yes, sir.

>> Okay. I'm with the Office of Research Development and Information at CMS.

Basically, I'll talk about Section 702 of the MMA first. This is referred to as the Homebound demonstration project. In the current guidance and regulations that define who is eligible for home health services, one of the items of eligibility states that the individual requiring home health care, in order to be eligible under the Medicare benefit, must be considered home-bound or must be home-bound. In defining home bound, it states that the individual is one who cannot leave the home without great difficulty or personal assistance. And if the person does leave home, it can only be infrequently for a short duration and

Now, there was an incident in

Atlanta with an individual, Mr. David Jane, who was confined to a wheelchair with a very severe permanent disability. Mr. Jane is trying to lead as full a life as he can. So, even though he required home health services, he continued his activities in the community. The activities were essentially to deliver presentations on behalf of the disabled, serve as an advocate for the disabled, and also to try to enhance his own enjoyment of life by attending ball games or attending social affairs as other people would be able to do.

According to Mr. Jane, a particular incident occurred when he attended the funeral of a friend of his with ALS. After he returned from the funeral, apparently there was a home health visit scheduled that day, the home health agency questioned him about his absence.

He said he was at the funeral. It was about four hours long. The home health agency proceeded to discharge him from home health care for violation of home-bound rule.

Sometime later, he happened to meet Senator Dole at the Atlanta airport and relayed this story. What happened next was that the case was referred to the CMS central office. An investigation was made into the events leading up to his discharge and it was determined that the home health agency, essentially, let's say, exceeded the guidelines for determining home bound. His home health care was reinstated.

In fact, when you look at the case, it really did not exceed the boundary of having infrequent absences of a short duration. Both the "frequency" and "duration" are really not defined (in statute).

It's essentially a guideline for individuals.

Anyway, as a result of this case, and primarily through Congressman Markey, an initiative was set up to pass legislation to look into the definition of home bound, vis-a-vie these particular types of patients. That is, patients with severe permanent disability. The result was Section 702.

Now, you wanted me to provide a definition of what we call a "demonstration".

>> Just briefly. Many of the people in the listening audience are very sophisticated, but if we have some who doesn't know what a demonstration is, it might be helpful to have a very few comments on what it means (to CMS).

>> O.K. in this case Section 702 directs the Secretary to implement a demonstration that is directed at

providing more information for the definition of the home bound rule.

The demonstrations we do at CMS are largely research demonstrations. That is, they are done to provide further definition of the Medicare benefit, or examine the payment systems of Medicare, or design and test innovative changes or improvements in the Medicare payment systems, or design and test new programs that may lead to new benefits under Medicare.

In other words: an exploration of deviations or innovations with current benefits or, in fact, even to test the possibility of including ancillary services or treatment to the existing Medicare program to see if they are viable alternatives or additions to the Medicare benefit.

When I say "research demonstrations," it means that the

demonstrations that we do require an evaluation. We do a separate evaluation of all of our demonstrations.

Now, this is different than some other types of demonstration. Sometimes there are Government and also private nonprofit organizations that provide demonstrations in the community that largely provide seed money to set up programs to further diffuse a new innovation in the community.

Very often these demonstrations do not involve an evaluation. Sometimes they're referred to as pilot programs. A lot of people think of these programs when they hear the word demonstration. So, when we say demonstrations here at CMS, we're referring to a research demonstration. Here a demonstration is an experiment or an applied research project in the

community for the purpose of refining or providing additional information either on current programs under Medicare or Medicaid or the possibility of developing new programs through Congress for expanding the Medicare benefits.

Under Section 702, "The demonstration project to clarify the definition of home bound, , is also referred to as the Homebound demonstration, The Secretary is mandated to conduct a two-year demonstration in three states. The states are to be in the Northeast, the Midwest and the West.

On June 3rd, the Secretary had a press conference where he announced the selection of the three states for this demonstration: Colorado, Massachusetts and Missouri. In these three states, we will provide for the enrollment in home care of a particular set of beneficiaries,

as defined in the law. These beneficiaries will be deemed home-bound regardless of how many times they leave home and how long they leave home. The law specifies that in order for a beneficiary to be eligible for this demonstration, the home health agency needs to certify that the beneficiary has a permanent need for help in three to five of the activities of daily living; that the beneficiary requires permanent skilled nursing care; and daily attendant visits to monitor, treat or provide ADL assistance. Furthermore, beneficiary requires technological or personal assistance to leave home. The word technological we are interpreting to mean any kind of mechanical assistance or support to leave home. There's been some effort to say that technological is an electronic wheelchair, for

instance, and that's much too restrictive. We're going to use the definition that is under the current law, which is much more expansive. That is: someone who needs some kind of support, either personal assistance or mechanical support (i.e., cane, walker, wheelchair) to leave home. The law also stipulates that the beneficiary, just like under the current Medicare regulations, cannot be working outside the home.

For Medicare beneficiaries that meet the demonstration criteria as mandated under Section 702, the home health agency will enroll them and identify them as demonstration candidates on the initial claim and also on the final claim of each episode of care. These beneficiaries, while receiving home care, may leave home as often as they wish and as long as they

wish, and still be deemed home bound. That's essentially the demonstration.

Now our job is to design and implement this demonstration, meet the requirements of the law and stay within the parameters of the law. What I mean by that point is that we're not given free rein to design a demonstration any way we wish. We must stay within the parameters of the law and we must meet the requirements of the law.

Now there's one provision in this law, if you read the material, that mandates the Secretary must implement the demonstration within 180 days of enactment. We began to design the demonstration with that in mind and found out very early that this could not be done. We needed to have a way of identifying the patient through the claims. There are two ways of doing this.

(1) We could ask the home health care agencies, when they find one of these patients, to call us up, or call an 800 number and provide the patient name, identification information, some information about their clinical status and then admit the patient.

This would put quite a bit of burden on the home health agency. In order to make this demonstration work, we need to reduce the burden on the home health agencies as much as possible, while enabling the home health agencies to indicate when a patient is admitted.

So, (2) this means we need to have the ability for the home health agency to make a notation on the claim. But, in order to do that, we have to make a systems change. Under current Medicare regulations, this means we have to do a formal systems change as if we

were changing the payment system for the entire Medicare program. It's a formal process and it requires approximately eight months to do. As soon as it was determined that we needed to do a systems change, it meant that we would never be able to implement the demonstration in 180 days rule as required.

The systems change has been requested. It took two and a half months to put together the paper work for the systems change and have it reviewed by all of the organizations at CMS and by all of our contractors. This was done and the systems change was published in early May. Afterward, there were several meetings with the people and the contractors that oversee the systems (that need to be changed) to allow this this particular change to happen. All of

this work now has been completed and the systems change is set for implementation on October the 4th. This means we cannot implement this demonstration until October 4th.

Thus, in order to comply with current Medicare regulations, we had to, essentially, violate Section 702 which mandated implementation by June 9th.

One of the things we are doing to implement this demonstration is to contract with a support contractor. Now, there are demonstrations that lend themselves to having a support contractor or an outside contractor to assist CMS in implementing the demonstration. This one and the Adult Day Care demonstration both lend themselves to that kind of implementation, which really makes these demonstrations a little bit easier to implement in terms of some of the logistics that are

involved We put together a contract RFP and put out for bid. We received the proposals, they have been paneled, and we're now waiting for the contracts office at CMS to make their final award. We expect that within the next week or two. Once the support contractor comes on board, it will need to follow the tasks written in the RFP.

The first task is to assist CMS in developing an announcement program or marketing campaign, if you will, for this demonstration. This campaign entails going into each of the three states to essentially saturate the states with information; meeting with and providing information to the home health agencies, to the providers and to the special interest groups in the states that deal with or represent these particular types of patients. Essentially, we need a

thorough distribution of information about the demonstration so that when we start on October 4th, all of the home health agencies know what they need to do to identify a patient under the demonstration; all the regional home health intermediaries will know what to do in processing the claims for the demonstration; and all of the beneficiaries and caregivers and providers will know what to do in order to refer a patient for home health under this demonstration.

I will stop here with 702 and I'll describe 703. Then I am going to stop and answer questions. you may have about these demonstrations.

Section 703 is the demonstration project for Medical Adult Day Care services. The history behind this began at a particular Adult Day

Care center in Milwaukee where some Government officials, including the CMS Administrator and the Secretary, paid a visit. During the conversation with the CEO of the Adult Day Care center, she was asked about the medical services that were provided to the Adult Day Care Medicare beneficiaries and whether or not CMS was paying for this. And the answer came back, well, in some cases we can bill Medicare and they will pay for these services, but in most cases, they will not.

It was essentially the discussions surrounding this issue that led to the idea of, well, "What if we have a project, a demonstration, where we allow home health agencies to provide a portion of home care in an adult day care center?" This eventually led to Section 703 of the MMA which

provides for a three-year demonstration, in not more than five states selected by the Secretary, to provide to Medicare beneficiaries medical services in an adult day care center as a substitution for a portion of the home health care services that would otherwise be provided to these beneficiaries in their own home.

This demonstration, even though it seems much more straight forward and simpler than the home bound demonstration, is more complex because it involves a payment change. Under this demonstration, five home health agencies that enter into an arrangement with an adult day care center will participate in the demonstration. For home health care delivered to a beneficiary in at both his/her home and at an adult day care

center, the home health agency will receive 75 percent of the payment it would otherwise receive if the patient was receiving care solely at his/her home. This demonstration thus involves a payment change and that calls for a systems change: another eight-month process to make a change in the claims system. This demonstration, unlike Homebound one, requires approval by the Office of Management Budget and a waiver process package, which is another long drawn out process. It will take much longer to implement the Adult Day Care demonstration. Consequently, we do not expect to implement this demonstration before the Fall 2005.

In the Homebound demonstration, all home health providers in the three states will participate. However, in the case of the Adult

Day Care demonstration, we will have to put out a solicitation for specific entities: home health care agencies that have an arrangement with adult day care centers. This will be a national solicitation. It will be some-what limited to only those states that license or certify adult day care centers to provide medical services. We will ask for proposals from home health agencies and their affiliated medical adult day care centers. We will have a general panel review of the proposals, , and then provide the results of the panels' rank ordering and scoring to the Administration for final selection. Again, a long drawn out effort. We will try to be as fair as possible to all entities in all of the states that license and certified day care centers. This demonstration also requires us to

submit a waiver cost estimate package to OMB for approval before implementation can begin. The solicitation is not anticipated before spring of 2005. And the implementation of that demonstration is unlikely before the end of that year. We're actually shooting for late fall possibly winter of 2005 to implement that demonstration.

>> Let me stop there and just open it up to questions.

>> Well, before we go to the audience I have one or two questions. The demonstration for the home bound, it is limited to 15,000 people, I think. Is that divided equally between the states or does that not matter?

>> No, it does not matter.

>> Then, going to the adult day care, is that the same thing, will it be divided equally among the

five sites or not?

>> No, 15,000 across the five sites, but here there's a difference. In the case of home bound it says a maximum of 15,000 patients in the two years of that demonstration. In the three year Adult Day Care demonstration, the law provides for a total of 15,000 at any one time. So there can be far more beneficiaries taking advantage of this demonstration than the Home bound demonstration.

>> Okay. It is constructed a little bit differently. Can a state have more than one site? I think it says there are five sites and can there be more than one in a state?

>> Yes, you can have five sites in one state or five sites in five states.

>> Do you have an idea if there will be a preference given to states that were selected for the

home bound demonstration?

>> No.

>> Operator can you ask the audience if they have questions?

>> Yes this, is Lisa with the National Adult Day Care Association. And I just wanted to clarify one piece of information about the solicitation to the providers. Did I understand you correctly to say that this is a national solicitation in the sense that the solicitation will end prior to the states being selected?

>> That's correct. The sites selected will determine the states. The way we envision it right now, in order to be really fair, we would like to have this solicitation to go to as many states as possible. The law says that the sites must be in states that license or certify medical adult day care services. Thus, we

would limit the solicitation to these states. So there might be some states that are eliminated from the solicitation. And that's only the limitation that I see. Other than that we would like to have as wide a solicitation as possible.

>> You add and just one point of clarification, as well, in terms of the term "license" or "certification". One of the things that needs to be considered is that there are some states who don't use that specific language but if you read the all language that regulates that service in a given state, may actually qualify. It just may not say the word license or certify.

>> You make a good point and if a state calls it something else, we will certainly go to that state.

>> Thank you.

>> Your line is open, please state your company.

>> The Paralyzed Veterans of America. Hello? Okay. Thank you for holding this conference call today, first of all -- and this is a question about the 702 demonstration project. You talked about a marketing program that will be done in three states. I was curious to know how consumer organizations can participate in the marketing and could we get a packet of material to help in the effort?

>> Certainly, we are now gathering names of these organizations and would certainly provide information as we get closer to implementation. One thing I would like to mention at this point is that there will be Homebound demonstration open door forum on June 25th from 2:00 p.m. until 3:30 p.m. Eastern standard

time. And to participate by phone, the 800 number is (#18)837-1935 and the reference conference code is 794-1958. For TTY communication and relay services that are available, 711 or 188-55-2880. . We're having an open door on the 25th for anybody who wishes to call in to provide comments and we actually would like a dialogue with organizations to provide us with suggestions as to how to provide for the most thorough announcement in each of the three states. I invite you to call in and provide us with some information about your organization. And indeed, we would like your assistance in doing this demonstration. When the support contractor comes on board, one of their first jobs will be to essentially go to each of the three states to provide information to pertinent organizations. First we

would target commercial and nonprofit organizations then the public at large so we may both inform as many as possible about the demonstration and also elicit help in implementing this demonstration. So let me give you my email address.

ATHOUMAIAN@CMS.HHS.GOV and my direct phone number is (410)786-6672. So, after this call today, if you have additional questions or additional comments or suggestions, I invite you to call me or send immediate an email, please. >> Thank you very much.

>> I'm Leslie from the ABA. I have questions regarding the 703. It's hard for me. Would somebody receive some services at home and some of the services at the adult day care or all of them at the adult day care?

>> A portion of home care would be

provided at both. However, I think you put your finger on one of the difficulties of doing the demonstration. We cannot tell people to go to a particular home health agency or a particular adult day care center or even tell them that would we would like them to go and enroll in an adult day care center. Under the demonstration, the people served are those who are receiving home health care, or were just admitted for home care, and also just happen to be have been admitted to or are receiving services at the adult day care center where that home health care agency has an arrangement under this demonstration. By the same token only someone who is in the adult day care center who just happens to require home health and happens to be admitted to that home health agency that has that

arrangement with the same day care center will be eligible for the demonstration. >> Right, but then the logistic also are that they receive some services at both or just --

>> The law states that the home health agency can provide a portion of home care services to a home health patient in an adult day care center. However, it doesn't specify what the word "portion" means. So , some of the care will be provided in the home and some will be provided in the adult day care center and I suspect the portion will depend on the patient's condition. Also, I suspect the portion will be different for every patient.

>>Okay. Thank you.

>> Once again if you would like to ask a question, you may press star one. No other questions at this

time.

>> thank you very much operator and
thank you to our speakers and our
listeners. Thank for your
participation and have a good day.
The conference call has been
completed.

>> >>

(Proceedings concluded at 3:00
p.m.)