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(Original Signature of Member)

113TH CONGRESS
2D SESSION

H. R. _____

To amend title XVIII of the Social Security Act to improve the Medicare accountable care organization (ACO) program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. BLACK (for herself and Mr. WELCH) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to improve the Medicare accountable care organization (ACO) program, and for other purposes.

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 “ACO Improvement Act
5 of 2014”.

1 **SEC. 2. MEDICARE ACO PROGRAM IMPROVEMENTS.**

2 (a) IN GENERAL.—Section 1899 of the Social Secu-
3 rity Act (42 U.S.C. 1395jjj) is amended by adding at the
4 end the following new subsection:

5 “(l) IMPROVING OUTCOMES THROUGH GREATER
6 BENEFICIARY ENGAGEMENT.—

7 “(1) USE OF BENEFICIARY INCENTIVES.—Sub-
8 ject to approval of the Secretary and in the case of
9 an ACO that has elected a two-sided risk model (as
10 provided for under regulations), the Secretary shall
11 permit the ACO—

12 “(A) to reduce or eliminate cost-sharing
13 otherwise applicable under part B for some or
14 all primary care services (as identified by the
15 ACO) furnished by health care professionals
16 (including, as applicable, professionals fur-
17 nishing services through a rural health clinic or
18 Federally qualified health center) within the
19 network of the ACO; and

20 “(B) to develop additional incentive pro-
21 grams to encourage patient engagement and
22 participation in their own wellness.

23 The cost of the such incentives shall be borne by the
24 ACO and shall not affect the payments under sub-
25 section (d).

1 “(2) FOSTERING STRONGER PATIENT-PROVIDER
2 TIES.—

3 “(A) PROVIDING PROSPECTIVE ASSIGN-
4 MENT OF BENEFICIARIES.—

5 “(i) IN GENERAL.—In carrying out
6 subsection (c), the Secretary shall provide
7 for a prospective assignment of Medicare
8 fee-for-service beneficiaries before the be-
9 ginning of a year to an ACO and primary
10 care ACO professional in accordance with
11 the practice under this section for Pioneer
12 ACOs, subject to clause (ii).

13 “(ii) CHANGING PRIMARY CARE ACO
14 PROFESSIONALS.—An ACO shall permit a
15 beneficiary to select the primary care ACO
16 professional within the ACO to which the
17 beneficiary is assigned.

18 “(B) INCLUSION OF ACO INFORMATION IN
19 WELCOME TO MEDICARE VISIT AND ANNUAL
20 WELLNESS VISITS.—The Secretary shall require
21 a primary care ACO professional to include, as
22 part of the initial preventive physical examina-
23 tion under section 1861(ww)(1) or personalized
24 prevention plan services under section
25 1861(hhh)(1) for a Medicare fee-for-service

1 beneficiary assigned to that professional under
2 this section, to provide the beneficiary with in-
3 formation concerning the ACO program under
4 this section, including information on any cost-
5 sharing reductions allowed under this section.

6 “(C) STAKEHOLDER ADVISORY GROUP.—

7 The Secretary shall form a stakeholder group,
8 including representatives of ACOs, health care
9 providers (including ACO professionals), Medi-
10 care beneficiaries, and ACO experts, to advise
11 the Secretary with recommendations to improve
12 the process of ACO-to-beneficiary communica-
13 tion.

14 “(3) MOVING FROM VOLUME TO VALUE.—

15 “(A) REGULATORY RELIEF FOR MOVING
16 TO TWO-SIDED RISK.—In the case of an ACO
17 that has elected a two-sided risk model (as de-
18 scribed in paragraph (1)), in addition to the au-
19 thority provided under paragraph (1), the Sec-
20 retary shall provide the following regulatory re-
21 lief:

22 “(i) 3-DAY PRIOR HOSPITALIZATION
23 WAIVER FOR SNF SERVICES.—Waiver of
24 the 3-day prior hospitalization requirement

1 for coverage of skilled nursing facility serv-
2 ices.

3 “(ii) HOMEBOUND REQUIREMENT
4 WAIVER FOR HOME HEALTH SERVICES.—
5 Waiver of the homebound requirement for
6 coverage of home health services.

7 “(iii) RAC HOSPITAL AUDIT RE-
8 LIEF.—Relief from reviews of scheduled
9 admissions by recovery audit contractors
10 for individuals attributed to an ACO when
11 admitted on orders of a physician partici-
12 pating in the ACO.

13 “(B) IMPROVING CARE COORDINATION
14 THROUGH ACCESS TO TELEHEALTH.—

15 “(i) FLEXIBILITY IN FURNISHING
16 TELEHEALTH SERVICES.—In applying sec-
17 tion 1834(m) in the case of an ACO that
18 has elected a two-sided risk model (as de-
19 scribed in paragraph (1)), the ACO may
20 elect to have the limitations on originating
21 site (under paragraph (4)(C) of such sec-
22 tion) and on the use of store-and-forward
23 technologies (under paragraph (1) of such
24 section) not apply. The previous sentence
25 shall not be construed as affecting the au-

1 thority of the Secretary under subsection
2 (f) to waive other provisions of such sec-
3 tion.

4 “(ii) PROVISION OF REMOTE MONI-
5 TORING IN CONNECTION WITH HOME
6 HEALTH SERVICES.—Nothing in this sec-
7 tion shall be construed as preventing an
8 ACO from including payments for remote
9 patient monitoring and home-based video
10 conferencing services in connection with
11 the provision of home health services
12 (under conditions for which payment for
13 such services would not be made under sec-
14 tion 1895 for such services) in a manner
15 that is financially equivalent to the fur-
16 nishing of a home health visit.

17 “(4) ESTABLISHING GREATER CERTAINTY FOR
18 ACOS.—

19 “(A) BENCHMARKS AND PAYMENTS.—The
20 Secretary shall conduct a demonstration project
21 to test the use of payment benchmarks that
22 take into account geographic area differences,
23 such as differences in spending trends within
24 and across regions, and variations in delivery

1 and utilization based on the socioeconomic sta-
2 tus of beneficiaries served.

3 “(B) ADVANCE NOTIFICATION OF ACOS OF
4 BENCHMARKS AND PAST PERFORMANCE.—The
5 Secretary shall inform ACOs, in advance of
6 each performance period, of the quality bench-
7 marks applicable to the ACO and period and of
8 the past performance (if any) of the ACO under
9 this section.

10 “(C) STUDY AND REPORT ON FEASIBILITY
11 ON PROVIDING ELECTRONIC ACCESS TO MEDI-
12 CARE CLAIMS DATA.—The Secretary shall con-
13 duct a study regarding the feasibility of estab-
14 lishing a system of electronic access of pro-
15 viders of services and suppliers to in-process
16 and complete patient claims data. Such system
17 may be a modification of an existing data base,
18 such as the Virtual Research Data Center. The
19 study shall take into account the measures
20 needed to ensure the security and privacy of
21 beneficiary and provider information. Not later
22 than one year after the date of the enactment
23 of this Act, the Secretary shall submit to Con-
24 gress a report on such study. The Secretary

1 shall include in such report such recommenda-
2 tions as the Secretary deems appropriate.”.

3 (b) REQUIRING TESTING OF GLOBAL CAPITATION
4 PAYMENT MODEL.—Section 1899(i) of the Social Security
5 Act (42 U.S.C. 1395jjj(i)) is amended—

6 (1) in the heading, by striking “OPTION TO
7 USE OTHER PAYMENT MODELS” and inserting “AL-
8 TERNATIVE PAYMENT MODELS”;

9 (2) in paragraph (1), by inserting before the pe-
10 riod at the end the following: “except that the Sec-
11 retary shall, beginning no later than January 1,
12 2016, establish one or more demonstration programs
13 to test the payment model described in paragraph
14 (3)(A)”;

15 (A) in paragraph (3)(A), by striking “is
16 any payment model” and inserting the fol-
17 lowing: “is—

18 “(i) a global capitation model in which an
19 ACO is at financial risk for all items and serv-
20 ices covered under parts A and B; and

21 “(i) any other payment model that the Sec-
22 retary determines will improve the quality and
23 efficiency of items and services furnished under
24 this title.”.

1 (c) ASSIGNMENT TAKING INTO ACCOUNT SERVICES
2 OF NON-PHYSICIAN PRACTITIONERS.—Section 1899(c) of
3 the Social Security Act (42 U.S.C. 1395jjj(c)) is amended
4 by inserting “(or, in the case of an ACO that is located
5 in a rural or medically underserved area or that is affili-
6 ated with a Federally qualified health center or rural
7 health clinic, an ACO professional described in subsection
8 (h)(1)(B))” after “subsection (h)(1)(A)”.

9 (d) CREATING INCENTIVES FOR ACO DEVELOP-
10 MENT.—The Secretary of Health and Human Services
11 shall develop a mechanism to make permanent those ACO-
12 related pilot programs, including the Advance Payment
13 ACO Model, that have been successful. The Secretary
14 shall submit to Congress a report on the study and shall
15 include in the report such recommendations, including
16 such changes in legislation, as the Secretary deems appro-
17 priate.

18 (e) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply to plan years beginning on or
20 after January 1, 2016.