

114TH CONGRESS
1ST SESSION

H. R. 837

To implement a demonstration project under titles XVIII and XIX of the Social Security Act to examine the costs and benefits of providing payments for comprehensive coordinated health care services provided by purpose-built, continuing care retirement communities to Medicare beneficiaries.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2015

Mr. FITZPATRICK (for himself, Mr. KELLY of Pennsylvania, Mr. CARTWRIGHT, Mr. ROTHFUS, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. BARTON, Mr. BRADY of Pennsylvania, Mr. FATTAH, Mr. BUCHANAN, and Ms. JENKINS of Kansas) 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

A BILL

To implement a demonstration project under titles XVIII and XIX of the Social Security Act to examine the costs and benefits of providing payments for comprehensive coordinated health care services provided by purpose-built, continuing care retirement communities to Medicare beneficiaries.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare Residential
3 Care Coordination Act of 2015”.

4 **SEC. 2. MEDICARE AND MEDICAID RESIDENTIAL CARE CO-**
5 **ORDINATION DEMONSTRATION PROJECT.**

6 (a) ESTABLISHMENT AND IMPLEMENTATION.—

7 (1) IN GENERAL.—The Secretary of Health and
8 Human Services (in this section referred to as the
9 “Secretary”) shall establish and implement a dem-
10 onstration project (in this section referred to as the
11 “demonstration project”) under titles XVIII and
12 XIX of the Social Security Act to evaluate the use
13 of capitated payments made to eligible continuing
14 care retirement communities for residential care co-
15 ordination programs.

16 (2) TIMETABLE FOR IMPLEMENTATION.—In
17 carrying out this section—

18 (A) not later than 1 year after the date of
19 the enactment of this Act the Secretary shall
20 complete the design for the demonstration
21 project and enter into one or more agreements
22 with eligible CCRCs for the implementation of
23 the project with respect to such CCRCs; and

24 (B) not later than 4 years after the date
25 of entering into such agreements, first provide

1 for implementation of the project through such
2 CCRCs.

3 (b) BUDGET NEUTRALITY.—With respect to the pe-
4 riod of the demonstration project under this section, the
5 aggregate expenditures under titles XVIII and XIX of the
6 Social Security Act for such period shall not exceed the
7 aggregate expenditures that would have been expended
8 under such titles if the demonstration project had not been
9 implemented.

10 (c) STATE ELECTION REQUIRED.—

11 (1) IN GENERAL.—The Secretary may only im-
12 plement the demonstration project in a State that
13 elects to participate in the demonstration project.

14 (2) BENEFITS AND PAYMENTS.—A State that
15 elects to participate in the demonstration project
16 shall provide medical assistance through title XIX of
17 the Social Security Act for each eligible CCRC resi-
18 dent who is eligible for medical assistance under the
19 State plan under such title (including such residents
20 who are made eligible under subsection
21 (d)(3)(B)(iii)) and who is enrolled in a residential
22 care coordination program in a manner that is con-
23 sistent with the requirements of this section, includ-
24 ing making the payments under subsection (e).

1 (3) LIMITATION.—A State may establish a nu-
2 merical limit on—

3 (A) the number of eligible CCRC residents
4 who may be enrolled in residential care coordi-
5 nation programs in the State; and

6 (B) the number of eligible CCRCs that
7 may operate residential care coordination pro-
8 grams in the State.

9 (d) RESIDENTIAL CARE COORDINATION PROGRAM
10 (RCCP); ELIGIBLE CONTINUING CARE RETIREMENT
11 COMMUNITY (CCRC); ELIGIBLE CCRC RESIDENTS; COM-
12 PREHENSIVE COORDINATED HEALTH CARE SERVICES
13 DEFINED.—

14 (1) RESIDENTIAL CARE COORDINATION PRO-
15 GRAM; RCCP.—For purposes of this section, the
16 terms “residential care coordination program” and
17 “RCCP” mean a program that—

18 (A) is operated within one or more eligible
19 continuing care retirement communities (as de-
20 fined in paragraph (2));

21 (B) is designed with a capacity of serving
22 at least 1,000, but not more than 1,500, eligible
23 CCRC residents (as defined in paragraph (3))
24 at any one time; and

1 (C) provides comprehensive coordinated
2 health care services (as defined in paragraph
3 (4)) to participating CCRC residents enrolled in
4 the program in accordance with the program
5 agreement under subsection (f) and the require-
6 ments of this section.

7 (2) ELIGIBLE CONTINUING CARE RETIREMENT
8 COMMUNITY; ELIGIBLE CCRC.—In this section, the
9 terms “eligible continuing care retirement commu-
10 nity” and “eligible CCRC” mean an entity that is a
11 continuing care retirement community (as defined in
12 section 1852(l)(4)(B) of the Social Security Act (42
13 U.S.C. 1395w–22(l)(4)(B))) that—

14 (A) is built for the purposes of partici-
15 pating in the demonstration project;

16 (B) provides onsite—

17 (i) housing accommodations for eligi-
18 ble CCRC residents, including apartments
19 for independent living; and

20 (ii) additional services to facilitate
21 aging in place for such residents, including
22 assisted living and skilled nursing facilities
23 or alternatives; and

24 (C) has entered into a program agreement
25 with the Secretary and the State with respect

1 to its operation of the residential care coordina-
2 tion program and such agreement is consistent
3 with the requirements of this section.

4 (3) ELIGIBLE CCRC RESIDENT; PARTICIPATING
5 CCRC RESIDENT.—

6 (A) IN GENERAL.—For purposes of this
7 section:

8 (i) ELIGIBLE CCRC RESIDENT.—The
9 term “eligible CCRC resident” means an
10 individual who—

11 (I) is entitled to, or enrolled for,
12 benefits under part A of title XVIII of
13 the Social Security Act, and enrolled
14 for benefits under part B of such title;
15 and

16 (II) resides in an eligible CCRC.

17 (ii) PARTICIPATING CCRC RESI-
18 DENT.—The term “participating CCRC
19 resident” means, with respect to a resident
20 care coordination program, an eligible
21 CCRC resident who is enrolled in that pro-
22 gram.

23 (B) PARTICIPATION BY DUAL-ELIGIBLE IN-
24 DIVIDUALS; EXPANDED ELIGIBILITY.—

1 (i) IN GENERAL.—An eligible CCRC
2 resident may be, but is not required to be,
3 a dual-eligible individual.

4 (ii) DUAL-ELIGIBLE INDIVIDUAL DE-
5 FINED.—In this section, the term “dual-el-
6 igible individual” means any individual
7 who is—

8 (I) a full-benefit dual eligible in-
9 dividual (as defined in section
10 1935(e)(6) of the Social Security
11 Act); or

12 (II) is described in clause (iii).

13 (iii) QUALIFICATION OF PARTICI-
14 PATING CCRC RESIDENTS FOR MEDICAID
15 BENEFITS.—An individual who is a partici-
16 pating CCRC resident, regardless of the
17 level of care, who meets income and re-
18 source eligibility criteria established under
19 the State Medicaid plan for an individual
20 to obtain coverage for nursing facility serv-
21 ices on the basis of the individual’s re-
22 quirement for the level of care for such
23 services, shall be treated as a dual-eligible
24 individual under this section and under
25 title XIX of the Social Security Act so long

1 as the individual remains a participating
2 CCRC resident.

3 (C) ENROLLMENT AND DISENROLLMENT
4 RULES.—

5 (i) DEEMED ENROLLMENT AT TIME
6 OF INITIAL RESIDENCY.—An individual
7 who is described in subclause (I) of sub-
8 paragraph (A)(i) is deemed, at the time of
9 becoming a resident in an eligible CCRC,
10 to have voluntarily consented to enroll in
11 the RCCP operated by that CCRC for pur-
12 poses of subparagraph (A)(ii).

13 (ii) DISENROLLMENT PROCESS.—The
14 demonstration project shall provide a
15 method for the disenrollment from the
16 project of participating CCRC residents,
17 which method shall take into account the
18 unique circumstances of residents who are
19 required to leave the CCRC and shall per-
20 mit disenrollment at least in the same cir-
21 cumstances as would permit an individual
22 to disenroll from a Medicare Advantage
23 plan under part C of title XVIII of the So-
24 cial Security Act for cause.

1 (D) RELATION TO MEDICARE ADVANTAGE
2 AND PRESCRIPTION DRUG PROGRAM.—

3 (i) SUPERCEDES ENROLLMENT.—A
4 participating CCRC resident is not eligible
5 to enroll in an MA plan under part C of
6 title XVIII of the Social Security Act or
7 under a prescription drug plan under part
8 D of such title.

9 (ii) COORDINATION IN CASE OF
10 DISENROLLMENT.—In the case of a par-
11 ticipating CCRC resident who disenrolls
12 from the demonstration project, the
13 disenrollment shall be treated, for purposes
14 of parts C and D of such title, as if the in-
15 dividual had been previously enrolled in,
16 and disenrolled from, an MA–PD plan
17 under part C of such title.

18 (E) PREMIUM PAYMENTS.—During the pe-
19 riod in which an individual is a participating
20 CCRC resident—

21 (i) for purposes of payment of pre-
22 miums under parts B, C, and D of title
23 XVIII of the Social Security Act, the indi-
24 vidual shall be treated as if the individual
25 were enrolled under an MA–PD plan with

1 a premium equal to an amount specified in
2 the program agreement; and

3 (ii) the individual shall be eligible for
4 assistance with respect to such premiums
5 under part D and Medicare cost-sharing in
6 the same manner and in the equivalent
7 amounts as if the individual had not been
8 enrolled as a participating CCRC resident.

9 (4) COMPREHENSIVE COORDINATED HEALTH
10 CARE SERVICES DEFINED.—For purposes of this
11 section, the term “comprehensive coordinated health
12 care services”, with respect to an eligible CCRC resi-
13 dent—

14 (A) means all items and services that are
15 otherwise payable under title XVIII of the So-
16 cial Security Act, including the minimum pre-
17 scription drug coverage required under a pre-
18 scription drug plan under part D of such title;

19 (B) includes in the case of a dual eligible
20 individual all items and services that are other-
21 wise payable under the State plan under title
22 XIX of such Act of the State in which the resi-
23 dent resides; and

24 (C) also includes—

1 (i) care management services that co-
2 ordinate acute and specialty services (in-
3 cluding inpatient hospital services, services
4 provided by specialty physicians, and other
5 necessary services) provided to eligible
6 CCRC residents;

7 (ii) wellness services, including assist-
8 ance and instruction in healthy living (in-
9 cluding diet and exercise); and

10 (iii) other health care items and serv-
11 ices to manage chronic conditions, treat
12 subacute conditions, and provide preventive
13 care.

14 (e) PAYMENT UNDER MEDICARE AND MEDICAID.—

15 (1) IN GENERAL.—In the case of an individual
16 who is a participating CCRC resident who is en-
17 rolled in a residential care coordination program op-
18 erated by an eligible CCRC—

19 (A) the individual shall receive benefits
20 under title XVIII of the Social Security Act,
21 and, if such individual is a dual-eligible indi-
22 vidual (as defined in subsection (d)(3)(B)(ii)),
23 under the State Medicaid plan or waiver under
24 title XIX of such Act, solely through the resi-
25 dential care coordination program, which shall

1 provide such individual with comprehensive co-
2 ordinated health care services; and

3 (B) the eligible CCRC shall receive
4 capitated payments for the provision of such
5 services (from the Secretary for benefits under
6 title XVIII and from the State for benefits
7 under such State plan or waiver), in accordance
8 with this section.

9 (2) PAYMENT METHODOLOGY.—

10 (A) PAYMENT UNDER MEDICARE.—

11 (i) PAYMENT ON MONTHLY BASIS.—

12 With respect to each eligible CCRC, the
13 Secretary shall make prospective monthly
14 payments of a capitated amount, based on
15 the rate established under clause (ii), for
16 each participating CCRC resident enrolled
17 in the residential care coordination pro-
18 gram operated by such CCRC in the same
19 manner and from the same sources as pay-
20 ments are made to a Medicare Advantage
21 organization under section 1853 of the So-
22 cial Security Act (42 U.S.C. 1395w–23).
23 Such payments shall be subject to adjust-
24 ment in the manner described in para-

1 graphs (2) and (3) of subsection (a) of
2 such section 1853.

3 (ii) ESTABLISHMENT OF PAYMENT
4 RATE.—

5 (I) IN GENERAL.—The Secretary
6 shall establish a risk-adjusted
7 capitated payment rate under title
8 XVIII of the Social Security Act for
9 comprehensive coordinated health care
10 services provided to eligible CCRC
11 residents through a residential care
12 coordination program operated by an
13 eligible CCRC. The payment rate shall
14 be 90 percent of the adjusted average
15 per capita cost described in section
16 1853(c)(1)(D)(i) of such Act (42
17 U.S.C. 1395w–23(c)(1)(D)(i)), plus
18 an amount equivalent to 90 percent of
19 the amount that would have been paid
20 to a prescription drug plan the stand-
21 ardized bid amount of which (as de-
22 fined in section 1860D–13(a)(5) of
23 such Act (42 U.S.C. 1395w–
24 113(a)(5))) was equal to the adjusted
25 national average monthly bid amount

1 (as defined in section 1860D–
2 13(a)(1)(B)(iii) of such Act (42
3 U.S.C. 1395w–113(a)(1)(B)(iii))) and
4 taking into account low-income sub-
5 sidies paid under section 1860D–14
6 (42 U.S.C. 1395w–114).

7 (II) PROGRAM AGREEMENT.—

8 The mechanism for establishing the
9 capitated amount under this subpara-
10 graph for a specific eligible CCRC
11 shall be specified in the program
12 agreement.

13 (B) PAYMENT UNDER MEDICAID.—

14 (i) PAYMENT ON A MONTHLY BASIS.—

15 With respect to an eligible CCRC oper-
16 ating an RCCP, the State shall make pro-
17 spective monthly payments of the capitated
18 amount determined under and specified in
19 the program agreement for each eligible
20 CCRC resident of such community who is
21 a dual-eligible individual.

22 (ii) RELATIONSHIP TO MEDICARE PAY-

23 MENTS.—The payment made under this
24 subparagraph shall be in addition to any
25 payment made under subparagraph (A) to

1 an eligible CCRC for eligible CCRC resi-
2 dents who are dual-eligible individuals.

3 (iii) PROGRAM AGREEMENT.—The
4 capitated amount under this subparagraph
5 for a specific eligible CCRC shall be speci-
6 fied in the program agreement.

7 (iv) PAYMENTS TO THE STATE.—The
8 Secretary shall treat the payments made
9 under clause (i) as medical assistance
10 under title XIX of the Social Security Act
11 for purposes of making payments to the
12 State under section 1903 of such Act (42
13 U.S.C. 1396b).

14 (v) PAYMENTS TO REFLECT SPEND
15 DOWN AMOUNTS AND PERSONAL NEEDS
16 ALLOWANCES.—The payments under this
17 subparagraph shall be made in a manner
18 that takes into account the financial con-
19 tributions required of dual-eligible individ-
20 uals and the personal needs allowance es-
21 tablished under the State plan. Such per-
22 sonal needs allowances may vary depending
23 upon the level of care required by such an
24 individual.

1 (3) TREATMENT OF SERVICES FURNISHED BY
2 NONCONTRACT PHYSICIANS AND OTHER ENTITIES.—

3 (A) APPLICATION OF MEDICARE ADVAN-
4 TAGE REQUIREMENTS.—Section 1852(k)(1) of
5 the Social Security Act (42 U.S.C. 1395w-
6 22(k)(1)) (relating to limitations on balance
7 billing against Medicare Advantage organiza-
8 tions for noncontract physicians and other enti-
9 ties with respect to services covered under title
10 XVIII of such Act) shall apply to eligible
11 CCRCs, eligible CCRC residents enrolled in a
12 residential care coordination program, and phy-
13 sicians and other entities that do not have a
14 contract or other agreement establishing pay-
15 ment amounts for services furnished to such a
16 resident in the same manner as such section ap-
17 plies to Medicare Advantage organizations, indi-
18 viduals enrolled with such organizations, and
19 physicians and other entities referred to in such
20 section.

21 (B) APPLICATION OF BALANCED BILLING
22 LIMITATIONS.—Section 1866(a)(1)(O) of the
23 Social Security Act (42 U.S.C.
24 1395cc(a)(1)(O)) shall apply to services that
25 are covered under title XVIII of the Social Se-

1 curity Act and are furnished to any eligible
2 CCRC residents enrolled in a residential care
3 coordination program in the same manner that
4 such section applies to services furnished to an
5 individual enrolled with a PACE provider under
6 section 1894 or 1934 of such Act (42 U.S.C.
7 1395eee).

8 (f) PROGRAM AGREEMENT.—

9 (1) REQUIREMENT.—The Secretary, in close co-
10 operation with the single State agency that admin-
11 isters or supervises the administration of the State
12 plan under title XIX of the Social Security Act (42
13 U.S.C. 1396 et seq.) (in this section referred to as
14 the “State Medicaid agency”), shall establish proce-
15 dures for entering into, extending, and terminating
16 program agreements (each in this section referred to
17 as a “program agreement”) for the operation of resi-
18 dential care coordination programs by eligible
19 CCRCs.

20 (2) AGREEMENT REQUIRED FOR PAYMENT.—In
21 order to receive payment under subsection (e), each
22 eligible CCRC operating a residential care coordina-
23 tion program shall enter into a program agreement
24 with the Secretary and the State, which shall con-
25 tain such terms and conditions as the parties may

1 agree to, so long as such terms and conditions are
2 consistent with this section.

3 (3) DURATION.—

4 (A) IN GENERAL.—A program agreement
5 under this section shall be effective for a con-
6 tract year, beginning consistent with subsection
7 (a)(2)(B) not later than the fourth calendar
8 year to begin after the establishment of the
9 demonstration project, and shall be extended
10 for additional contract years in the absence of
11 notice by a party to terminate.

12 (B) TERMINATION.—

13 (i) END OF DEMONSTRATION
14 PROJECT.—The Secretary and the State
15 Medicaid agency shall terminate the pro-
16 gram agreement at the termination of the
17 demonstration project under subsection (i).

18 (ii) NOTICE OF PROVIDER TERMI-
19 NATION.—The eligible CCRC may termi-
20 nate the agreement after appropriate no-
21 tice to the Secretary, the State Medicaid
22 agency, and eligible CCRC residents.

23 (iii) TERMINATION FOR CAUSE.—The
24 Secretary and the State Medicaid agency
25 may terminate the program agreement at

1 any time for cause (as provided under the
2 agreement). Reasons for terminating an
3 agreement under this clause include that
4 the Secretary or State administering agen-
5 cy determines that—

6 (I) there are significant defi-
7 ciencies in the quality of care provided
8 to eligible CCRC residents enrolled in
9 the program or the eligible CCRC has
10 failed to comply substantially with the
11 requirements of this section; and

12 (II) the entity has failed to de-
13 velop and successfully initiate, within
14 30 days of the date of the receipt of
15 written notice of such a determina-
16 tion, a plan to correct the deficiencies,
17 or has failed to continue implementa-
18 tion of such a plan.

19 (iv) RIGHT TO REMAIN.—Nothing in
20 this paragraph shall be construed, in the
21 case that a program agreement is termi-
22 nated—

23 (I) for a previously participating
24 CCRC resident continuing, as affect-
25 ing the individual's right to continue

1 to reside in the CCRC and to receive
2 traditional CCRC care and services in
3 accordance with the contract between
4 the CCRC resident and the CCRC;
5 and

6 (II) as relieving the State from
7 continuing to provide medical assist-
8 ance with respect to such services for
9 individuals who would qualify as dual-
10 eligible individuals if the agreement
11 had not been terminated.

12 (4) SCOPE OF BENEFITS.—

13 (A) IN GENERAL.—Under the agreement
14 under paragraph (2), the eligible CCRC shall—

15 (i) provide to participating CCRC
16 residents of such community, regardless of
17 source of payment, directly or under con-
18 tracts with other entities, at a minimum,
19 all comprehensive coordinated health care
20 services, without regard to any limitation
21 or condition as to amount, duration, or
22 scope under title XVIII or title XIX of the
23 Social Security Act;

1 (ii) provide such residents with access
2 to necessary covered items and services 24
3 hours a day, every day of the year;

4 (iii) provide services to such residents
5 onsite at the eligible CCRC through a mul-
6 tidisciplinary team that is led by a primary
7 care physician and includes care coordina-
8 tors, case managers, and nurses;

9 (iv) has a ratio of accessible physi-
10 cians to eligible CCRC residents that the
11 Secretary determines is adequate; and

12 (v) specify the covered items and serv-
13 ices that will not be provided directly by
14 the eligible CCRC and—

15 (I) provide for delivery of those
16 items and services through contracts
17 to ensure compliance with the require-
18 ments of this section; and

19 (II) provides, on an as needed
20 basis for those residents who cannot
21 transport themselves, for necessary
22 transportation services to the pro-
23 viders of such items and services, if
24 such items and services are provided
25 outside of the eligible CCRC.

1 (B) APPLICATION OF REGULAR COST-
2 SHARING RULES.—Under such agreement the
3 eligible CCRC may apply deductibles, copay-
4 ments, coinsurance, or other cost sharing that
5 would otherwise apply under titles XVIII and
6 XIX of the Social Security Act in the case of
7 an MA–PD plan under part C of title XVIII of
8 such Act.

9 (5) QUALITY CONTROL.—

10 (A) IN GENERAL.—Under the program
11 agreement, the eligible CCRC shall—

12 (i) collect data;

13 (ii) maintain, and afford the Secretary
14 and the State Medicaid agency access to,
15 the records relating to the program, in-
16 cluding pertinent financial, medical, and
17 personnel records; and

18 (iii) submit to the Secretary and the
19 State Medicaid agency such reports as the
20 Secretary finds (in consultation with State
21 Medicaid agencies) necessary to monitor
22 the operation, cost, and effectiveness of the
23 demonstration project, including data rel-
24 evant to the measurements established by
25 the Secretary under subparagraph (B), to

1 permit the Secretary and the State to
2 evaluate such demonstration project.

3 (B) QUALITY AND OUTCOME MEASURES.—

4 The Secretary shall establish clinical and other
5 outcome measurements to assess the efficacy of
6 the demonstration project in—

7 (i) improving—

8 (I) the health status and out-
9 comes of participating CCRC resi-
10 dents enrolled in residential care co-
11 ordination programs under this dem-
12 onstration project, compared to Medi-
13 care beneficiaries (including tradi-
14 tional dual-eligible individuals de-
15 scribed in subsection (d)(3)(B)(ii)(I))
16 who are not enrolled in such pro-
17 grams; and

18 (II) the quality of health care
19 provided to such participating CCRC
20 residents; and

21 (ii) controlling the overall cost of pro-
22 viding health care items and services to
23 such participating CCRC residents, com-
24 pared to the cost of providing such items

1 and services to other Medicare bene-
2 ficiaries.

3 (6) PATIENT SAFEGUARDS.—The agreement
4 under paragraph (2) shall provide for written safe-
5 guards of the rights of participating CCRC residents
6 enrolled in a residential care coordination program
7 (including a patient bill of rights and procedures for
8 grievances and appeals). Such safeguards shall be
9 similar to the safeguards required under the section
10 1894(b)(2)(B) of the Social Security Act (42 U.S.C.
11 1395eee(b)(2)(B)) with respect to the PACE pro-
12 gram.

13 (7) TRANSITION.—If a participating CCRC
14 resident who is enrolled in a residential care coordi-
15 nation program is disenrolled from such program,
16 the eligible CCRC shall provide assistance to the in-
17 dividual in obtaining necessary care through appro-
18 priate referrals and making the individual’s medical
19 records available to new providers.

20 (8) RULE OF CONSTRUCTION.—Nothing in this
21 subsection shall be construed as preventing the eligi-
22 ble CCRC from assessing typical and appropriate
23 fees to eligible CCRC residents.

24 (g) SECRETARY’S OVERSIGHT; ENFORCEMENT AU-
25 THORITY.—

1 (1) OVERSIGHT.—

2 (A) IN GENERAL.—During the duration of
3 the demonstration project, with respect to an el-
4 igible CCRC operating a residential care coordi-
5 nation program under a program agreement
6 under subsection (f), the Secretary (acting in
7 cooperation with the State Medicaid agency)
8 shall conduct a comprehensive annual review of
9 the operation of the eligible CCRC in order to
10 ensure compliance with the requirements of this
11 section. Such review shall include—

12 (i) an onsite visit to the eligible
13 CCRC;

14 (ii) a comprehensive assessment of the
15 community's fiscal soundness;

16 (iii) a comprehensive assessment of
17 the eligible CCRC's capacity to provide all
18 comprehensive coordinated health care
19 services to participating CCRC residents;

20 (iv) detailed analysis of the commu-
21 nity's substantial compliance with the re-
22 quirements of this section; and

23 (v) any other elements that the Sec-
24 retary or the State Medicaid agency con-
25 siders necessary or appropriate.

1 (B) DISCLOSURE.—The results of reviews
2 under this paragraph shall be reported prompt-
3 ly to the eligible CCRC, along with any rec-
4 ommendations for changes to the community’s
5 program, and shall be made available to the
6 public through a public Web site of the Depart-
7 ment of Health and Human Services.

8 (2) SANCTIONS.—

9 (A) IN GENERAL.—If the Secretary deter-
10 mines (after consultation with the State Med-
11 icaid agency) that an eligible CCRC operating
12 a residential care coordination program under a
13 program agreement under subsection (f) is fail-
14 ing substantially to comply with the require-
15 ments of this section, the Secretary (and the
16 State Medicaid agency) may take any or all of
17 the following actions:

18 (i) Condition the continuation of the
19 program agreement upon timely execution
20 of a corrective action plan.

21 (ii) Withhold some or all further pay-
22 ments under the program agreement under
23 this section with respect to services fur-
24 nished by such community until the defi-
25 ciencies have been corrected.

1 (iii) Terminate such agreement under
2 subsection (f)(3)(B).

3 (B) APPLICATION OF INTERMEDIATE
4 SANCTIONS.—The Secretary may, by regulation,
5 provide for the application against an eligible
6 CCRC operating a residential care coordination
7 program under a program agreement under this
8 section of remedies described in section
9 1857(g)(2) of the Social Security Act (42
10 U.S.C. 1395w–27(g)(2)) or section
11 1903(m)(5)(B) of such Act (42 U.S.C.
12 1396b(m)(5)(B)) in the case of violations by
13 the community of the type described in section
14 1857(g)(1) or 1903(m)(5)(A) of such Act, re-
15 spectively (in relation to agreements, enrollees,
16 and requirements under this section).

17 (C) PROCEDURES FOR TERMINATION OR
18 IMPOSITION OF SANCTIONS.—The provisions of
19 section 1857(h) of the Social Security Act (42
20 U.S.C. 1395w–27(h)) shall apply, by regulation,
21 to termination and sanctions respecting a pro-
22 gram agreement and an eligible CCRC oper-
23 ating a residential care coordination program
24 under a program agreement under this sub-
25 section in the same manner as they apply to a

1 termination and sanctions with respect to a
2 contract and a Medicare Advantage organiza-
3 tion under part C of title XVIII of such Act.

4 (h) WAIVER.—Notwithstanding section 1115(a) of
5 the Social Security Act (42 U.S.C. 1315(a)), the Secretary
6 may waive such provisions of titles XI, XVIII, and XIX
7 of that Act as may be necessary to—

8 (1) accomplish the goals of the demonstration
9 project under this section; and

10 (2) maximize the quality of life of eligible
11 CCRC beneficiaries, as determined using the meas-
12 ures established under subsection (f)(5)(B).

13 (i) DURATION OF 10 YEARS.—

14 (1) IN GENERAL.—Subject to paragraph (2)
15 and subsection (f)(3)(B), the demonstration project
16 shall terminate 10 years after the date on which the
17 demonstration project is first implemented under
18 subsection (a)(2)(B).

19 (2) EXTENSION.—The Secretary, acting
20 through the Center for Medicare and Medicaid Inno-
21 vation, may extend the use of capitated payments
22 for eligible CCRCs for residential care coordination
23 programs under this section if, by the termination
24 date that would otherwise apply under paragraph
25 (1), the Secretary has demonstrated that the dem-

1 onstration project has improved the coordination,
2 quality, and efficiency of health care services fur-
3 nished to Medicare beneficiaries.

4 (j) STUDY AND REPORT TO CONGRESS.—

5 (1) INTERIM EVALUATION AND REPORT.—Not
6 later than 3 years after the date on which the dem-
7 onstration project is first implemented under sub-
8 section (a)(2)(B), the Secretary shall submit to Con-
9 gress a report that contains the following:

10 (A) An interim evaluation of the costs and
11 benefits of providing comprehensive coordinated
12 health care services to Medicare beneficiaries
13 (including dual-eligible individuals) through res-
14 idential care coordination programs, including
15 the costs and benefits of using payments under
16 title XIX of the Social Security Act to provide
17 continuity of care by permitting certain individ-
18 uals to continue to participate in such programs
19 after qualifying for enrollment in the Medicaid
20 program under this section due to reduced in-
21 come and assets.

22 (B) An analysis of the appropriateness of
23 implementing a new payment methodology
24 under titles XVIII and XIX of the Social Secu-
25 rity Act for such services in the future.

1 (2) FINAL EVALUATION AND REPORT.—Not
2 later than 10 years after the date on which the dem-
3 onstration project is first so implemented, the Sec-
4 retary shall submit to Congress a report that con-
5 tains a final evaluation of the impact of the dem-
6 onstration project.

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