

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**Office of Research, Development, and Information.**

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Dear Home Health Provider:

Under the mandate of section 702 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173), the Centers for Medicare & Medicaid Services (CMS) is sponsoring the **Home Health Independence Demonstration** to study the benefits and cost of providing needed home healthcare services to Medicare beneficiaries with severe, chronic conditions who would not otherwise be deemed homebound under the usual Medicare rules. The demonstration permits an eligible beneficiary to leave home for as often and as long as he or she likes (except to perform paid full-time or part-time work outside the home) and still be considered homebound and continue to receive Medicare home health services (as long as he/she meets all the other criteria for Medicare home health services.) The demonstration is scheduled to begin October 4, 2004, and to run for 2 years. It will include qualifying beneficiaries in Colorado, Massachusetts, and Missouri. Enclosed with this letter are materials which provide information about the demonstration, its eligibility criteria, and how you can identify patients for participation in the demonstration.


CMS recognizes that you and your agency staff will be the key to the demonstration's success. We ask for your assistance by identifying those new and existing patients who might meet the eligibility requirements of the demonstration. In addition to meeting all the criteria required for Medicare home health eligibility and coverage, beneficiaries will need to meet ALL of the following conditions:

- The beneficiary has been certified by an attending physician to have a permanent and severe disabling condition that is not expected to improve.
- The beneficiary needs permanent help with at least 3 of 5 activities of daily living (ADLs). (The 5 ADLs are bathing, dressing, eating, toileting, and transferring.)
- The beneficiary needs permanent skilled nursing care (other than medication management), and daily attendant visits to monitor or treat a medical condition or to provide ADL assistance.
- The beneficiary needs assistance of a person or technological device to leave home (and leaving home requires considerable and taxing effort).
- The beneficiary is NOT working regularly in a paid position full-time or part-time outside the home.
- The beneficiary has Part B and does not receive Medicare home health services through an HMO, Medicare Advantage plan or via the hospice benefit.

For further information or assistance, please call our implementation contractor, Abt Associates, at 1-888-HHDEMO5 (1-888-443-3665) or e-mail them at [homehealthindependence@abtassoc.com](mailto:homehealthindependence@abtassoc.com). General information for providers, beneficiaries, and other interested parties can be obtained at <http://www.cms.hhs.gov/researchers/demos/homehealthindependence.asp> or through 1-800-MEDICARE.

We thank you for your cooperation in helping us to implement this important research demonstration.

Sincerely,

  
Stuart Guterman  
Director, Office of Research, Development, and Information

Enclosures

## The Home Health Independence Demonstration

The Medicare **Home Health Independence Demonstration** is a project being conducted by the Centers for Medicare and Medicaid Services (CMS) that allows qualifying Medicare beneficiaries who receive Medicare home health benefits in COLORADO, MASSACHUSETTS, and MISSOURI to leave their home more frequently and for longer periods without risking the loss of those benefits.

### *What is the Home Health Independence Demonstration?*

- Current rules used to determine who qualifies for Medicare home health services require that beneficiaries must be “homebound” and that any time away from home must be “infrequent or of short duration” or for adult day care or religious services.
- Under the mandate of section 702 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173), CMS is conducting a 2-year demonstration to study the benefits and cost of providing home health services to chronically disabled Medicare beneficiaries under a more liberalized definition of “homebound.” The **Home Health Independence Demonstration** allows qualifying Medicare beneficiaries to receive Medicare home health services without consideration of the frequency, purpose, or length of absences from the home.
- To qualify for the demonstration, Medicare beneficiaries must meet all current Medicare home health eligibility criteria and they must also:
  - have a permanent, severe disability that is not expected to improve;
  - need permanent help with 3 of the following 5 activities of daily living (ADLs): bathing, dressing, eating, toileting, and transferring;
  - need permanent skilled nursing care, and daily attendant visits to monitor, treat or provide ADL assistance;
  - require assistance of a person or technological device to leave home; and must not be working in a paid full-time or part-time position outside the home.
  - HMO, Medicare Advantage plan or via the hospice benefit;
  - must have Part B and does not receive Medicare home health services through an HMO, Medicare Advantage plan or via the hospice benefit.
- This ability to leave home more often, for any purpose, and for longer periods of time is the **ONLY** change under the demonstration. Beneficiaries must meet **ALL** the other usual eligibility and coverage criteria for Medicare home health care (including having limitations that make leaving home require a considerable and taxing effort). Care planning, service delivery, billing, payment, and quality improvement procedures are all unchanged under the Home Health Independence Demonstration. A home health agency (HHA) still has the obligation not to accept any individual patient if it is unable to meet the patient’s needs. (42 CFR 484.18)

The Home Health Independence Demonstration is scheduled to begin **October 4, 2004**, and to run until **October 3, 2006**. A maximum of 15,000 Medicare beneficiaries (across all 3 states) will be allowed to participate.

## ***Who can participate in the Home Health Independence Demonstration?***

Medicare beneficiaries who:

- are enrolled in Medicare Part B;
- receive home health services under the traditional Medicare home health benefit (e.g., NOT through an HMO, Medicare Advantage plan, or via the hospice benefit);
- receive their Medicare home health services in **Colorado, Massachusetts, or Missouri**;
- meet all of the eligibility criteria for Medicare home health care (e.g., services ordered by a physician, requires part-time or intermittent skilled care, leaving home requires considerable and taxing effort, etc.); and
- meet ALL of the demonstration criteria listed in the legislation, which are as follows:

- (1) The beneficiary has been certified by one physician as an individual who has a permanent and severe, disabling condition that is not expected to improve;
- (2) The beneficiary is dependent upon assistance from another individual with at least 3 out of the 5 activities of daily living\* for the rest of the beneficiary's life;
- (3) The beneficiary requires skilled nursing services for the rest of the beneficiary's life and the skilled nursing is more than medication management;
- (4) An attendant is required to visit the beneficiary on a daily basis to monitor and treat the beneficiary's medical condition or to assist the beneficiary with activities of daily living;
- (5) The beneficiary requires technological assistance or the assistance of another person to leave the home; and
- (6) The beneficiary does not regularly work in a paid position full-time or part-time outside the home.

*\* For the purposes of this demonstration, the term "activities of daily living" means eating, toileting, transferring, bathing, and dressing.*

## ***Are all home health agencies participating in the Home Health Independence Demonstration?***

All Medicare-certified HHAs serving beneficiaries in the States of **Colorado, Massachusetts, and Missouri** can provide services through the Home Health Independence Demonstration. While CMS seeks the cooperation of HHAs in the implementation of this demonstration, agencies are not required to identify patients for the demonstration. Agencies currently evaluate prospective Medicare patients on an individual basis and accept those whose needs they can meet; this would also be the case with prospective demonstration participants. Beneficiaries currently select HHAs that can meet their needs; under the demonstration, beneficiaries who believe that they are eligible for the Home Health Independence Demonstration are expected to consider the agency's capacity to enroll them in the demonstration when making that selection.

## ***What does our agency have to do?***

### **1. Identify Eligible Patients:**

EXISTING MEDICARE PATIENTS: You are encouraged to screen your current caseload for patients who meet the demonstration criteria and work with their physicians to enroll them in the demonstration so that they can take advantage of the increased flexibility it offers them.

- There may be some patients who are already covered by Medicare because they don't leave home as often as they could, for fear of losing their Medicare home health coverage. If enrolled in the Home Health Independence Demonstration, they could leave home as often as they wish without fear of losing benefits due to violations of the "homebound" rule.
- There may be some patients on your caseload for whom you bill other payors (or private pay) solely because they leave home too often to qualify as "homebound" under the home health

criteria. If these beneficiaries meet all of the current Medicare home health eligibility criteria (other than being limited to infrequent and short absences from home) AND the demonstration criteria, their home health services can now potentially be covered under Medicare.

NEW PATIENTS who are referred to your agency for services during the period of the demonstration should be screened for demonstration eligibility.

**OUTREACH TO POTENTIAL REFERRAL SOURCES:** HHAs may provide information about the demonstration's benefits and eligibility criteria to their likely sources of demonstration-eligible referrals (e.g., physicians and clinics that care for the chronically disabled, associations that serve such beneficiaries, etc.) so that they will be more likely to refer any appropriate patients for assessment and potential enrollment.

2. Track Screening Results (Optional) An *evaluation contractor* hired by Medicare may later contact you to discuss your experiences screening beneficiaries for demonstration eligibility. HHAs are encouraged to keep a log of the patients who meet the criteria and were enrolled, and also those meeting the criteria who, for what ever reason, were not enrolled, so that they will have data for reference during these discussions. ("Enrollment" would mean that the patient received Medicare home health services from your agency and a home health claim was submitted for the episode which included the "HHDEMO" demonstration flag (see below)). A sample format for such a log is included as Attachment 1. As this is a research demonstration, we are very interested in the medical condition and progress of demonstration participants. As we proceed with the demonstration, we may make a request to the HHAs for a copy of the treatment plan and medical progress notes for the Medicare beneficiaries who have been identified for participation in the demonstration.

3. Developing the Plan of Care/Obtaining MD Orders. The demonstration does not affect service coverage or care planning. The plan of care should reflect patient needs. However, since demonstration eligibility is based on the physician certifying that the patient meets all of the demonstration eligibility criteria, and since the physician's usual certification must state that "Home health services [are] required because the individual [is] confined to the home except when receiving outpatient services," we suggest that you include language in the plan of care that is sent to the physician for signature in order to provide documentation of demonstration eligibility and documentation of the physician's recognition that the patient is not confined to the home. A sample of proposed language is included as Attachment 2; you may choose to use this or you may develop your own language.

If you send a cover note when you send the orders to the physician for signature, we suggest that you include a reference to the demonstration certification/enrollment information included in the packet. This would alert the physician to the presence of a new component in the packet, and to the fact that the beneficiary IS eligible for Medicare home health services if he/she meets the usual Medicare criteria plus the demonstration criteria, even if he/she leaves the home.

Note that the certification of demonstration eligibility is repeated each 60 days if the patient continues on service, as part of recertifying the patient for continuing Medicare home health care.

4. Patient Intake. The patient intake process is basically the same for demonstration beneficiaries as for other beneficiaries. The main difference is that demonstration beneficiaries should be informed that they are eligible to participate in the demonstration and can leave home as often as they are safely able to do so. The beneficiary should also be informed that their participation in the demonstration (like their eligibility for Medicare home health services) will have to be re-certified every 60 days, and that the demonstration will end Oct. 3, 2006. You may provide them with a copy of "Home Health Independence Demonstration Information for Beneficiaries" (Attachment 3).

5. Service Delivery. The demonstration makes no changes in service delivery (other than a need to coordinate the timing of visits with the patient's absences from the home). All services on the plan of care must still be provided in the home.

6. Billing and Payment. The demonstration makes only one change in the billing process. If a patient is identified as meeting all of the demonstration criteria, a code "HHDEMO" is entered in the "Remarks" field (FL84) on the Request for Advance Payment (RAP) claim in order to identify that beneficiary as a demonstration patient. This flag is also to be entered in the "Remarks" field (FL84) on the final bill for that episode (and on any other bills for that episode). The demonstration does not affect case-mix assignment (HIPPS codes), or any other aspect of billing and payment.

7. Patients Who No Longer Qualify for the Demonstration. If at some point the patient continues to qualify for Medicare home health services but fails to meet the demonstration eligibility criteria at the start of the next episode (for example, their condition unexpectedly improves and they need human assistance with only 2 ADLs), the RAP claim for the new episode would NOT have "HHDEMO" entered in the "Remarks" field on the RAP or final claim related to THAT episode. The beneficiary should be given a written notice or documented verbal notice explaining that they are no longer eligible for the Home Health Independence Demonstration and are once again subject to customary Medicare guidelines regarding absences from home and eligibility for Medicare home health services.

8. Quality Improvement. The demonstration makes no changes in quality improvement procedures. The OASIS assessment data for demonstration patients are reported to the state and included in the OBQI reports that are generated and the measures that are reported on the Home Health Compare Website. Demonstration beneficiaries are (by definition) disabled persons with chronic conditions that are not expected to improve. However, it is considered unlikely that any single agency will serve a number of demonstration patients that is sufficient to significantly alter their aggregate outcomes data. In addition, we anticipate that the risk-adjustment mechanisms built into these reporting systems will moderate any impacts of demonstration patients on agencies' reported outcomes. If a claim for a demonstration patient (with "HHDEMO" in FL84) is selected for medical review by the Regional Home Health Intermediary (RHHI), the claim would not be reviewed for "homebound." (Of course, it will be reviewed, and could be denied, for any other aspect of the claim – just like non-demonstration claims.) Claims with "HHDEMO" flags will not be more likely to be selected for medical review than any other claims. Similarly, if a demonstration patient is selected for review by a state surveyor or accrediting organization, their review would not cover the "homebound" criterion.

For further information:

**To find out more about the Home Health Independence Demonstration, HHA staff can:**

- visit our Website, which includes a list of "frequently-asked questions" (FAQ) and answers, at <http://www.cms.hhs.gov/researchers/demos/homehealthindependence.asp> ;
- call us toll-free at 1-888-HHDEMO-5 (1-888-443-3665); or
- send e-mail to: [HomeHealthIndependence@abtassoc.com](mailto:HomeHealthIndependence@abtassoc.com).

Disclaimer:

***This document is not intended to serve as a legal document. The official Medicare program provisions are contained in the relevant laws, regulations and rulings.***

**ATTACHMENTS:**

- 1. Optional log for tracking disposition of screened eligible Home Health Independence beneficiaries**
- 2. Suggested Wording for Inclusion in Plan of Care:  
Physician Certification of Eligibility for the  
Home Health Independence Demonstration**
- 3. “Home Health Independence” Information for Beneficiaries**

**ATTACHMENT 1:**

**Optional log for tracking disposition of screened eligible Home Health Independence Demonstration referrals**

Home Health Independence Demonstration Disposition Of Medicare Referrals Screened Eligible			Agency: _____	
ASSESSMENT DATE*	BENEFICIARY NAME (last, first)	BENEFICIARY MEDICARE NUMBER	IF ENROLLED: START OF EPISODE (CLAIM FROM-DATE)	IF NOT ENROLLED: REASON NOT ENROLLED (declined service, admit to LTC, etc.)
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## **ATTACHMENT 2: Suggested Wording for Inclusion in the Home Health Plan of Care:**

### **Physician Certification of Eligibility for the Home Health Independence Demonstration**

Under a mandate created by section 702 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (now more commonly referred to as the Medicare Modernization Act of 2003 (MMA)), the Centers for Medicare & Medicaid Services is conducting the "Home Health Independence Demonstration" *under which Medicare beneficiaries with chronic conditions*" (as described below) *"are deemed to be homebound for purposes of receiving home health services under the Medicare program."*

I certify that in addition to meeting all of the eligibility criteria for Medicare home health services (other than confinement to the home), this beneficiary is *"deemed to be homebound without regard to the purpose, frequency, or duration of absences from the home"* (by meeting ALL of the criteria in section 702, specifically):

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- ***"(1) the beneficiary has been certified by one physician as an individual who has a permanent and severe, disabling condition that is not expected to improve;***
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- ***"(2) the beneficiary is dependent upon assistance from another individual with at least 3 out of the 5 activities of daily living (\*) for the rest of the beneficiary's life;***
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- ***"(3) the beneficiary requires skilled nursing services for the rest of the beneficiary's life and the skilled nursing is more than medication management;***
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- ***"(4) an attendant is required to visit the beneficiary on a daily basis to monitor and treat the beneficiary's medical condition or to assist the beneficiary with activities of daily living;***
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- ***"(5) the beneficiary requires technological assistance or the assistance of another person to leave the home; and***
- 

- ***"(6) the beneficiary does not regularly work in a paid position full-time or part-time outside the home. ...***
- 

***(\*) "...The term "activities of daily living" means eating, toileting, transferring, bathing, and dressing."***

This eligibility must be certified at the start of each episode of Medicare-covered home health care. In addition to the criteria listed above, demonstration participation is limited to Medicare beneficiaries who:

- are enrolled in Medicare Part B;
- receive their Medicare home health care in Colorado, Massachusetts, or Missouri;
- receive their Medicare home health care services during the operational period of the demonstration (scheduled for October 4, 2004, through October 3, 2006; and
- do not receive their home health services through an HMO or Medicare Advantage plan, or through the Hospice benefit.



**ATTACHMENT 3:  
Home Health Independence Demonstration Information for Beneficiaries**



**Office of Research, Development, and Information.**

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Dear Medicare Beneficiary:

The Centers for Medicare & Medicaid Services (CMS) is the Federal agency that administers the Medicare Program. CMS is scheduled to implement the **Home Health Independence Demonstration**, as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L.108-173), in **Colorado, Massachusetts, and Missouri**, on October 4, 2004. These projects, which will last 2 years, allow some beneficiaries with severe, chronic conditions to remain eligible for Medicare home health services while leaving home more frequently than would have been allowed in the past.

**Your physician and the home health agency providing you with home care have identified you as eligible to participate in the Home Health Independence Demonstration.** As a participant in the demonstration, you may leave home for as often and as long as you wish (except to work outside the home) and still continue to receive your home health services under the Medicare program. Your eligibility for the demonstration and for the home health services you receive is only confirmed for your current episode of home health care and must be re-assessed at least every 60 days for you to continue to take advantage of this opportunity.


You may be contacted to participate in a study of the demonstration program conducted on behalf of Medicare. By obtaining information from you and other participants, the study will reveal the advantages and disadvantages of the Home Health Independence project. We hope you will participate if you are contacted. Any information you may provide is strictly confidential and protected under Federal law by the Privacy Act. Although we ask for your cooperation in answering these questions, you do not have to do so and your refusal will not affect your Medicare benefits in any way. While you are receiving Medicare home health services through the Home Health Independence Demonstration, you might want to note down how often and how long you leave home so that you can have that information when the interviewer calls, but you are not required to do this.

Enclosed with this letter is a fact sheet that provides more information about the demonstration. If you have any questions about your participation in this demonstration, please ask your physician or home health agency, or contact our implementation contractor, Abt Associates, at 1-888-HHDEMO-5 (1-888-443-3665) or e-mail them at *homehealthindependence@abtassoc.com*.

For more general information about the demonstration, please visit our Website at :  
<http://www.cms.hhs.gov/researchers/demos/homehealthindependence.asp> or call 1-800-MEDICARE.

Thank you for your participation in this important project.

Sincerely,

  
Stuart Guterman  
Director, Office of Research, Development, and Information

Enclosure

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# The Home Health Independence Demonstration

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**MEDICARE HOME HEALTH USERS IN COLORADO, MASSACHUSETTS AND MISSOURI – UNDER MEDICARE’S NEW HOME HEALTH INDEPENDENCE DEMONSTRATION, YOU MAY BE ELIGIBLE TO LEAVE HOME MORE OFTEN *WITHOUT* THE RISK OF LOSING YOUR MEDICARE HOME HEALTH BENEFITS!**

## *What is the Home Health Independence Demonstration?*

Until now, people who receive Medicare home health services could not leave their homes for reasons other than medical treatment, adult day care, or religious services without risking the loss of their benefits. Under Medicare’s Home Health Independence Demonstration, qualifying beneficiaries in 3 states who are permanently disabled and are dependent on others for help with activities of daily living can leave their home more frequently and/or for longer periods of time – *without* losing their Medicare home health coverage.

Under section 702 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173), the Centers for Medicare & Medicaid Services (CMS) is conducting a 2-year study to see what happens if Medicare beneficiaries with severe, chronic conditions are permitted to leave their homes more often while keeping their Medicare home health services.

The Home Health Independence Demonstration is scheduled to begin **October 4, 2004**, and will run **until October 3, 2006**. Up to 15,000 Medicare beneficiaries (across all 3 states) will be allowed to participate during that time.

## *Who can participate in the Home Health Independence Demonstration?*

Medicare beneficiaries enrolled in Medicare Part B under traditional Medicare (NOT in an HMO) who receive their home health care in **Colorado, Massachusetts, and Missouri** and meet all of the eligibility criteria for Medicare home health care (*except* for the customary “homebound” requirement) are potentially eligible for the Home Health Independence Demonstration project.

This means you must qualify for Medicare home health care:

- Your doctor must decide that you need medical care at home, and make a plan for your care at home; and
- You must need at least one of the following: intermittent skilled nursing care, or physical therapy, speech-language therapy, or continuing need for occupational therapy; and
- Leaving home must require “considerable and taxing effort” on your part; and
- The home health agency caring for you must be approved by the Medicare program (Medicare-certified); and
- The home health agency must be able to provide the services that you need.

In addition, you must meet **all** of these conditions for the demonstration:

- Your physician must certify that you have a **severe, disabling condition that is permanent**; and
- You must have a **permanent need for assistance from another person** with at least 3 out of the following 5 activities of daily living: eating, toileting transferring, bathing and dressing; and
- You must have a **permanent need for skilled nursing services** (other than medication management); and

- You must **require daily visits** in your home from an attendant to monitor and treat your medical condition or to help you with activities of daily living, which are eating, dressing, toileting, bathing, and transferring; and
- You must require the **assistance** of another person or the use of an assistive device **to leave the home**; and
- You **must not regularly work** in a paid position full-time or part-time outside the home.

If your physician and the home health agency certify that you meet all these conditions, and if your home health agency is participating in the demonstration, you can be enrolled in the demonstration! When your eligibility for Medicare home health services is re-evaluated every 60 days by your physician and the home health agency (if you are still a patient), your eligibility for the Home Health Independence Demonstration will also be re-evaluated.

### *How will this affect me?*

#### **If you currently receive Medicare home health benefits and you meet the Home Health Independence Demonstration requirements ...**

- participating in the Home Health Independence Demonstration will enable you to leave home for as often and as long as you like without losing your home health benefits.

#### **If you meet the Home Health Independence Demonstration requirements (as well as all the conditions for Medicare home health benefits, except for leaving home) and you are not receiving Medicare home health services ...**

- participating in the Home Health Independence Demonstration will enable you to receive home health services through Medicare while being able to leave home when you wish.

Medicare beneficiaries enrolled in the Home Health Independence Demonstration will be able leave their home to shop, visit with family members, volunteer in the community, or socialize with friends, without fear of losing their home health benefits.

### *What will I have to do? Will I have to pay anything?*

If you are enrolled in the Home Health Independence Demonstration, the only thing that will be different from regular Medicare home health care is that you may be asked to speak with an interviewer from a company hired by Medicare to find out how people were doing under the project. You are not required to speak with the interviewer but we hope that you will choose to do so.

While you are participating in the demonstration, you may want to note down how often and how long you leave home so that you can have that information when the interviewer calls, but you are not required to do this. You will not have to pay anything extra to be in the demonstration, and Medicare will pay for home health care the way it normally does.

*To find out more about whether you may be eligible for this demonstration:*

- Ask your physician or your local home health agency about the Home Health Independence Demonstration; OR
- Call Medicare toll-free at 1-800-MEDICARE; OR
- Visit our Website:

<http://www.cms.hhs.gov/researchers/demos/homehealthindependence.asp>.

*This document is not intended to serve as a legal document. The official Medicare program provisions are contained in the relevant laws, regulations and rulings.*