



Medicare: Today's Issue

April 14, 2004

BETTER BENEFITS – MORE CHOICES

*Good News about the Medicare Prescription Drug, Improvement
and Modernization Act of 2003!*

Demonstration Project for Medical Adult Day Care Services under the Medicare Modernization Act (MMA)

Background

- Under current law, a homebound individual may attend adult day care and still be considered homebound. However, home health services generally must be provided in an individual's home, unless a service cannot be provided at the home because the beneficiary requires equipment for treatment that is too cumbersome to be made available there. In such cases, the home health agency may make arrangements or contract with a hospital, skilled nursing facility, or rehabilitation facility to provide these services on an outpatient basis.
- Current law and regulation have prevented individuals who attend adult day care services from receiving covered home health services at the adult day care center.

Under the MMA

- The MMA requires the Secretary to establish a 3-year demonstration project to test, in a medical adult day care setting, the provision of home health services to home health eligible individuals.
- Under the demonstration, home health agencies that have agreements with medical adult day care providers may provide covered home health services at the site of the day care provider. 95 percent of the amount that would have been paid to the home health agency if the services were provided in the patient's home will be paid to participating agencies.
- The demonstration will be conducted in not more than five sites selected by the Secretary in states, which license or certify providers of medical adult day-care services. Up to 15,000 Medicare beneficiaries may participate in this demonstration at any given time.