

June 19, 2006

SUBJECT: Request for Emergency Clearance of the Paperwork Reduction Act Package for the Evaluation of the Home Health Independence Demonstration (mandated under Section 702 of the Medicare Prescription Drug Improvement, and Modernization Act of 2003 (MMA): Home Health Agency Survey

The Centers for Medicare and Medicaid Services (CMS) is requesting that a paperwork Reduction Act (PRA) package for a survey of home health agencies be approved under the emergency clearance process. Approval of this data collection is essential to provide information to evaluate the demonstration and report to Congress on the demonstration and its evaluation, pursuant to Section 702 of the Medicare Modernization Act of 2003. The original data collection for this evaluation project, proposed and approved by OMB on July 8, 2005 (OMB NO.: 0938-0956; EXPIRATION DATE: 12/31/2005), has not resulted in a Medicare beneficiary survey, as planned, because of extremely low enrollment in the demonstration. Emergency clearance is needed to conduct data collection among home health agencies in the absence of sufficient numbers of enrolled beneficiaries, in order to provide the necessary evaluative information for the report.

The report to Congress is due in October 2007. To limit nonresponse, it is necessary to conduct the survey before the demonstration's official termination in October 2006. Therefore, it is necessary to field the survey by no later than July 2006. We would field the survey for approximately 8-10 weeks, immediately upon clearance (see timeline below). We are requesting immediate approval to proceed with emergency clearance to meet this schedule.

Project Background

The evaluation is to study the MMA Section 702 demonstration, "Clarify the Definition of Homebound." The 2-year demonstration in three regions is to test the effect of deeming certain beneficiaries homebound for purposes of meeting the Medicare home health benefit eligibility requirements. The demonstration began October 2004. By one year after the project's termination (currently projected to be October, 2006), the Secretary is to submit a report including recommendations to exempt permanently and severely disabled homebound beneficiaries from the traditional homebound restrictions. The evaluation project is to develop the information Congress seeks, and to provide CMS with a sound basis for making the mandated recommendations.

Since October 2004, enrollment into the demonstration has been exceedingly small—a total of about 50 beneficiaries. This has occurred despite the fact that CMS has conducted a broad variety of outreach efforts to beneficiaries, home health agencies, and the public. Activities have included special conference calls; demonstration Website; public meetings; mass mailings to physician groups, insurers, hospitals, governments, aging offices, independent living centers, and others who have contact with disabled beneficiaries; letters of information to stakeholders; emails to home health agencies and advocacy organizations; attendance/booths/presentations at meetings; article placements; and special messages on carrier and intermediary Medicare explanation of benefits letters.

Design of the Evaluation

The research evaluation is being conducted under contract to Mathematica Policy Research, Inc., of Princeton, N.J. The evaluation has been redesigned since the original PRA package was submitted. Data collection activities now include qualitative data including site visits to the three states, discussions with industry representatives, and the proposed agency survey that is the subject of this emergency clearance request. The survey would be administered by mail to approximately 50 home health agencies in each of the demonstration states. We have consulted with several industry representatives on the content of the questionnaire to ensure the success of the data collection effort.

The purpose of the survey is to understand barriers that may have operated to impede enrollment in the demonstration, such as problems with eligibility definitions, other reasons why beneficiaries may not have qualified, and any other relevant information that agencies may be able to provide. The survey will also be used to understand the way agencies in the demonstration states apply the homebound eligibility criteria in practice. In addition, qualitative information so far has indicated that the role of the homebound criterion may have changed since the Medicare manual was revised to allow for home health beneficiaries to attend religious services and adult day care. If the revised definition has reduced concerns about the restrictiveness of the homebound eligibility criterion, we believe this information is important to include in the report to Congress. The original motivation for the demonstration was to loosen restrictions for certain types of beneficiaries.

Basis for Emergency Clearance Request

We have two reasons for requesting emergency clearance: (1) an unexpected outcome requires us to change our approach and (2) we still need to meet the statutory deadline for the report to Congress.

Recent months have confirmed that beneficiary enrollment has remained extremely low, despite the extensive outreach we have conducted, including individualized notifications. Our hope was that the individualized notifications to all beneficiaries who have recently used medical services would ensure that the persons who could benefit from the demonstration would enroll. This has not occurred, and this unexpected turn of events has required that we redirect our efforts to respond to the congressional mandate. Our response has been to seek information from agencies instead of beneficiaries.

Proposed Timeline

6/21/06 - OMB approves Emergency Justification

6/30/06 - Emergency FR notice publishes and public comment period begins

6/30/06 - Beginning of OMB concurrent review of package

7/31/06 - End of 30 Day public comment period and expected date of OMB approval

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