

103^D CONGRESS
2^D SESSION

H. RES. 498

Making in order, in the consideration by the House of Representatives of H.R. 3600 (the “Health Security Act”), an amendment providing for an AM CARE plan that makes available a government-sponsored, fee-for-service nationwide health plan to almost all eligible individuals not covered under large group health plans.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1994

Mr. SCOTT (for himself, Mr. STARK, Mr. McDERMOTT, Mr. MILLER of California, Mr. OWENS, Ms. MCKINNEY, Ms. PELOSI, Mr. FARR of California, Mr. TUCKER, Ms. WOOLSEY, Mr. DELLUMS, Mr. WATT, Mr. STOKES, Mr. HILLIARD, and Mr. ROMERO-BARCELÓ) submitted the following resolution; which was referred to the Committee on Rules

RESOLUTION

Making in order, in the consideration by the House of Representatives of H.R. 3600 (the “Health Security Act”), an amendment providing for an AM CARE plan that makes available a government-sponsored, fee-for-service nationwide health plan to almost all eligible individuals not covered under large group health plans.

1 *Resolved*, That in the consideration of the bill (H.R.
2 3600), to ensure individual and family security through
3 health care coverage for all Americans in a manner that
4 contains the rate of growth in health care costs and pro-

1 notes responsible insurance practices, to promote choice
 2 in health care, and to ensure and protect the health care
 3 of all Americans, in the Committee of the Whole, the fol-
 4 lowing amendment, if offered by Mr. Scott of Virginia (or
 5 his designee), shall be made in order to the amendment-
 6 in-the-nature-of-a-substitute to title I, as reported by the
 7 Committee on Education and Labor and that any points
 8 of order against this amendment are hereby waived.

9 At the end of subtitle E of title I, add the following
 10 new part (and conform the table of contents of title I
 11 accordingly):

12 **“PART 5—AMCARE PLAN**

13 **“SEC. 1497. ESTABLISHMENT, ELIGIBILITY, AND ENROLL-**
 14 **MENT.**

15 “(a) ESTABLISHMENT.—

16 “(1) IN GENERAL.—The Secretary of Health
 17 and Human Services shall establish and operate in
 18 accordance with this part a government-sponsored
 19 health care plan (in this part referred to as the
 20 ‘AMCARE plan’) for eligible individuals described in
 21 subsection (b).

22 “(2) DEADLINE FOR INITIAL OPERATION.—The
 23 Secretary shall establish the AMCARE plan in a
 24 manner that permits eligible individuals to first ob-
 25 tain benefits under the plan on January 1, 1996.

1 “(b) ELIGIBILITY.—

2 “(1) ELIGIBLE INDIVIDUALS.—Except as pro-
3 vided in paragraph (2), each eligible individual (as
4 defined in section 1001(c)) is eligible to enroll in the
5 AMCARE plan.

6 “(2) EXCEPTION FOR CERTAIN INDIVIDUALS.—
7 An individual is not eligible to enroll in the
8 AMCARE plan if the individual—

9 “(A) is an experience-rated individual; or

10 “(B) resides in a State operating a State
11 single-payer program under subpart B of part
12 1 of subtitle C.

13 “(c) ENROLLMENT PROCEDURES.—The Secretary
14 shall establish procedures for the enrollment of individuals
15 described in subsection (a) in the AMCARE plan. Such
16 procedures shall be based on the procedures used with re-
17 spect to the enrollment of community-rated individuals
18 under community-rated plans.

19 “(d) TREATMENT AS COMMUNITY-RATED PLAN.—
20 For purposes of this Act (including titles VI and IX), ex-
21 cept as may otherwise be provided in this part or under
22 rules established by the Board—

23 “(1) the AMCARE plan offered in a commu-
24 nity-rating area shall be treated as a community-
25 rated plan offered in such area; and

1 “(2) the AMCARE plan and the Secretary shall
2 comply with the requirements of this Act applicable
3 to community-rated plans and the carriers offering
4 such plans.

5 **“SEC. 1498. REQUIREMENTS FOR PLAN.**

6 “(a) IN GENERAL.—Except as provided in this sec-
7 tion, the AMCARE plan shall meet the requirements ap-
8 plicable for a community-rated, fee-for-service, higher cost
9 sharing plan.

10 “(b) ADDITIONAL SPECIFICATIONS.—

11 “(1) NATIONAL COVERAGE.—The plan shall
12 provide coverage for the items and services covered
13 in the comprehensive benefit package on a nation-
14 wide basis.

15 “(2) PAYMENT TO PROVIDERS.—Instead of ap-
16 plying an applicable fee-for-service fee schedule, the
17 Secretary may base payments for services furnished
18 under the AMCARE plan on alternative market-
19 based payment rates for classes and types of services
20 provided in various market areas.

21 “(3) APPLICATION OF COST-SHARING REDUC-
22 TION PROVISIONS.—Under rules established by the
23 Board, the Secretary shall apply the provisions of
24 part 5 of subtitle C to families enrolled in the
25 AMCARE plan in the same manner as States apply

1 such provisions to families enrolled in community-
2 rated plans in the State.

3 “(4) SUPPLEMENTAL BENEFITS.—

4 “(A) IN GENERAL.—With the approval of
5 the trustees of the AMCARE Trust Fund (es-
6 tablished under section 1499(e)), the Secretary
7 may offer benefits under the AMCARE plan in
8 addition to those provided under the com-
9 prehensive benefit package in the same manner
10 as community-rated plans may offer supple-
11 mental benefits to enrollees under part 3.

12 “(B) PREMIUM CHARGED.—The premium
13 charged for supplemental benefits offered under
14 subparagraph (A) shall be in an amount suffi-
15 cient to cover the costs of offering such benefits
16 (as determined by the Secretary in consultation
17 with the trustees of the AMCARE Trust Fund).

18 “(c) ADMINISTRATION.—

19 “(1) IN GENERAL.—The Secretary shall provide
20 for the administration of the AMCARE plan in a
21 manner similar to the administration of the medi-
22 care program. For this purpose, the Secretary may
23 enter into administrative agreements and contracts
24 with fiscal agents (which may or may not be the

1 same fiscal agents through which the Secretary ad-
2 ministers the medicare program).

3 “(2) QUALITY ASSURANCE; UTILIZATION RE-
4 VIEW; CLAIMS PROCESSING.—In administering the
5 AMCARE plan, the Secretary shall take such steps
6 as the Secretary considers necessary—

7 “(A) to assure the quality and appropriate
8 utilization of the items and services furnished
9 under the plan, including the use of peer review
10 organizations described in title XI of the Social
11 Security Act;

12 “(B) to assure the timely and accurate
13 payment of claims for items and services fur-
14 nished under the plan; and

15 “(C) to otherwise assure that the plan pro-
16 vides high quality services in an efficient and
17 cost-effective manner.

18 “(3) LIMITATION ON EXPENDITURES FOR AD-
19 MINISTRATION.—The percentage of expenditures
20 under the AMCARE plan in a year attributable to
21 program administration may not exceed 3 percent.

22 “(d) OPTIONAL PRIMARY CARE CASE MANAGE-
23 MENT.—Nothing in this part shall be construed as pre-
24 venting the plan from implementing a primary care case

1 management program to manage the delivery of the com-
2 prehensive benefit package to plan enrollees.

3 “(e) REFERRAL OF SUBSIDY-ELIGIBLE INDIVID-
4 UALS.—Under rules established by the Board, individuals
5 enrolled in the AMCARE plan who are provided a cost-
6 sharing reduction under subsection (b)(3) or a premium
7 discount or limitation of liability described in section
8 1499(b)(3) shall be referred for employment, job search,
9 job training, and other workforce support services as are
10 available to them through the Secretary or the Secretary
11 of Labor for development of family self-sufficiency.

12 **“SEC. 1499. FINANCING.**

13 “(a) DETERMINATION OF PREMIUM RATE.—In the
14 case of a family enrolled in the AMCARE plan—

15 “(1) IN GENERAL.—Subject to paragraph (3),
16 the premium applicable to the individual class of en-
17 rollment shall be such amount that (if applied under
18 this Act) will result in the payment of sufficient
19 funds to cover the costs of the AMCARE plan, in-
20 cluding a reasonable contingency margin and taking
21 into account risk adjustment under subsection (d).

22 “(2) FAMILY ENROLLMENT.—Subject to para-
23 graph (3), the premium applicable to a family class
24 of enrollment shall be equal to the product of—

1 “(A) the premium amount determined
2 under paragraph (1), and

3 “(B) the premium class factor established
4 by the Board for that class under section 1531.

5 “(3) AREA ADJUSTMENT.—

6 “(A) IN GENERAL.—The Secretary shall
7 adjust the premiums determined under this
8 subsection for each community-rating area for
9 area differences in health care costs.

10 “(B) BASIS FOR ADJUSTMENT.—Such ad-
11 justment—

12 “(i) may reflect the final weighted av-
13 erage per capita premium rate (as defined
14 in section 6004(a)) for community-rated
15 plans offered in the area compared to the
16 weighted average of all such rates, and

17 “(ii) shall be made in a manner that
18 does not result in a change in the average
19 of the premium amounts under this sub-
20 section.

21 “(b) SPECIAL RULES FOR DETERMINING FAMILY
22 SHARE OF PREMIUMS.—In the case of a family enrolled
23 in the AMCARE plan—

24 “(1) FAMILY SHARE.—The family share of the
25 premium shall be determined by the Secretary in a

1 manner similar to the determination described in
2 section 6101(b), but based upon the plan premium
3 rate determined under subsection (a).

4 “(2) REPAYMENT OF FAMILY EMPLOYMENT
5 CREDIT.—The Secretary shall promulgate rules re-
6 lating to the repayment of the family employment
7 credit in a manner similar to that provided under
8 subpart B of part 1 of subtitle A of title VI.

9 “(3) APPLICATION OF LOW-INCOME SUBSIDY
10 PROVISIONS.—In carrying out paragraphs (1) and
11 (2), section 6104 (relating to premium discount
12 based on income) and section 6113 (relating to limi-
13 tation of liability based on income) shall apply.

14 “(c) CONTRIBUTIONS BY EMPLOYERS.—The em-
15 ployer share of the premium for an individual enrolled in
16 the AMCARE plan shall be determined by the Secretary,
17 based upon the premium rate specified in subsection (a)
18 and taking into account the rules applicable to the estab-
19 lishment of employer premiums for community-rated em-
20 ployers under subpart A of part 2 of subtitle B of title
21 VI.

22 “(d) APPLICATION OF RISK ADJUSTMENT AND REIN-
23 SURANCE METHODOLOGY.—

24 “(1) IN GENERAL.—The Board shall establish
25 rules under which transfers are made between the

1 AMCARE Trust Fund (established under subsection
2 (e)) and premium clearinghouses in States (acting
3 on behalf of community-rated plans offered in the
4 State) in a manner that reflects (using the meth-
5 odology developed under section 1541) the payment
6 adjustments that would have been made with respect
7 to the AMCARE plan and community-rated plans in
8 the State under section 6201(a)(3) if the AMCARE
9 plan were a community-rated plan in the State.

10 “(2) REINSURANCE SYSTEM.—If the Board in-
11 cludes a mandatory reinsurance system under the
12 methodology developed section 1541(c), the Board
13 shall establish rules under which the AMCARE plan
14 is treated as a health plan for purposes of applying
15 such system.

16 “(e) ESTABLISHMENT OF AMCARE TRUST FUND.—

17 “(1) IN GENERAL.—There is hereby established
18 in the Treasury of the United States a fund to be
19 known as the ‘AMCARE Trust Fund’ (in this sub-
20 section referred to as the ‘Fund’).

21 “(2) TRANSFERS.—

22 “(A) PREMIUMS COLLECTED.—There is
23 hereby deposited into the Fund amounts equiv-
24 alent to the amounts of the premiums collected
25 under this part.

1 “(B) SUBSIDIES.—There is hereby trans-
2 ferred to the Fund, an amount equivalent to
3 the amount by which—

4 “(i) the total amount of premiums
5 payable (without regard to premium dis-
6 counts) under this part, exceeds

7 “(ii) the total amounts of the pre-
8 miums collected under this part.

9 “(C) EXPENDITURES FROM FUND.—
10 Amounts in the Fund are available to the Sec-
11 retary for the purpose of carrying out this part.
12 Amounts in the Fund shall remain available
13 until expended.

14 “(D) ADDITIONAL TRANSFERS.—The Sec-
15 retary shall make payments from the Trust
16 Fund with respect to the AMCARE plan in the
17 same amounts and in the same manner as
18 States provide for payment to the Secretary
19 under section 1263 with respect to community-
20 rated plans offered in the State. Such payments
21 shall be transferred to the Wrap-Around Fund
22 under section 1803, the annual health profes-
23 sions workforce account under section 3034(a),
24 the annual teaching hospital account under sec-
25 tion 3103(a), and the Rural Health Care Fund

1 under section 3901(a) in the same manner as
2 payments made under section 1263 are trans-
3 ferred to such funds under this Act.

4 “(3) INCORPORATION OF PROVISIONS.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), the provisions of subsections (b)
7 through (e), (h), (i), and (j) of section 1817 of
8 the Social Security Act shall apply to the Fund
9 and this part in the same manner as they apply
10 to the Federal Hospital Insurance Trust Fund
11 and part A of title XVIII of the Social Security
12 Act.

13 “(B) EXCEPTIONS.—In applying subpara-
14 graph (A)—

15 “(i) the Board of Trustees and Man-
16 aging Trustee of the Fund shall be com-
17 posed of the members of the Board of
18 Trustees and the Managing Trustee, re-
19 spectively, of the Federal Hospital Insur-
20 ance Trust Fund;

21 “(ii) any reference in section 1817 of
22 the Social Security Act to the Federal
23 Hospital Insurance Trust Fund, to title
24 XVIII of such Act (or part A thereof), or
25 (in subsection (f)(1)) to section 3102(b) of

1 the Internal Revenue Code of 1986 is
2 deemed a reference to the Fund under this
3 subsection, this part, and to section
4 3151(a)(2) of such Code, respectively; and
5 “(iii) the authority specified in section
6 1817(j) of the Social Security Act may be
7 exercised with respect to the Fund without
8 regard to any dates or time limitations
9 specified in such section.”.

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