

105TH CONGRESS  
2D SESSION

# H. R. 4653

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice Plans.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1998

Mr. GEJDENSON (for himself and Mrs. KENNELLY of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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

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## A BILL

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare HMO Im-  
5 provement Act of 1998”.

1 **SEC. 2. EXTENSION OF INITIAL MEDICARE+CHOICE CON-**  
 2 **TRACT PERIOD TO 3 YEARS.**

3 (a) IN GENERAL.—Section 1857(c)(1) of the Social  
 4 Security Act (42 U.S.C. 1395w–27(c)(1)) is amended—

5 (1) by striking “a term of at least 1 year” and  
 6 inserting “an initial term of at least 3 years”; and

7 (2) by striking “from term to term” and insert-  
 8 ing “for additional 1-year periods thereafter”.

9 (b) EFFECTIVE DATE.—The amendments made by  
 10 subsection (a) apply to contracts entered into on or after  
 11 the date of the enactment of this Act.

12 **SEC. 3. AUTHORITY TO DELAY TERMINATION.**

13 Section 1851(g)(3) of the Social Security Act (42  
 14 U.S.C. 1395w–21(g)(3)) is amended by adding at the end  
 15 the following new subparagraph:

16 “(E) AUTHORITY TO DELAY EFFECTIVE-  
 17 NESS OF A TERMINATION.—

18 (i) IN GENERAL.—If a  
 19 Medicare+Choice organization terminates  
 20 a plan under subparagraph (B)(iii), the  
 21 Secretary may delay the effectiveness of  
 22 such termination for up to 1 year if the  
 23 Secretary finds that—

24 “(I) the termination would cause  
 25 an imminent and serious risk to

1 health to individuals enrolled under  
2 the plan under this part;

3 “(II) the termination would re-  
4 sult in a significant reduction in the  
5 Medicare+Choice plans that are avail-  
6 able in the area affected by the termi-  
7 nation; or

8 “(III) the chief executive officer  
9 of the State in which the termination  
10 occurs requests such a delay.

11 “(ii) END OF DELAY.—The Secretary  
12 may end a delay under clause (i), before  
13 the end of the 1-year period, if the Sec-  
14 retary finds that an adequate provider net-  
15 work has been established which will pro-  
16 vide at least an equal level of insurance  
17 coverage as existed on the date the  
18 Medicare+Choice organization informed its  
19 enrollees of its intention to terminate the  
20 plan.”.

1 **SEC. 4. RESTRICTION ON TERMINATION OF**  
2 **MEDICARE+CHOICE PLANS IN SELECTED**  
3 **AREAS WITHIN A METROPOLITAN STATIS-**  
4 **TICAL AREA.**

5 (a) IN GENERAL.—Section 1857(c) of the Social Se-  
6 curity Act (42 U.S.C. 1395w–27(c)) is amended by redes-  
7 ignating paragraph (5) as paragraph (6) and by inserting  
8 after paragraph (4) the following new paragraph:

9 “(5) LIMITATION ON SELECTIVE TERMINATION  
10 OF CONTRACTS.—

11 “(A) IN GENERAL.—Except as provided in  
12 subparagraph (B), if a Medicare+Choice orga-  
13 nization offers a Medicare+Choice plan that  
14 provides coverage in a metropolitan statistical  
15 area (or a New England County Metropolitan  
16 Area) in a State and terminates such coverage  
17 for any part of such area (or Area) in the  
18 State, the Secretary shall terminate any con-  
19 tract with the organization for coverage of any  
20 part of that area (or Area) in that State.

21 “(B) EXCEPTION.—The Secretary may  
22 waive the requirement of subparagraph (A) if  
23 the Secretary finds that terminating contracts  
24 for coverage in all parts of a metropolitan sta-  
25 tistical area (or New England County Metro-  
26 politan Area) in the State would pose an immi-

1           nent and serious risk to the health of individ-  
 2           uals enrolled with the organization under this  
 3           part in the area (or Area).”.

4           (b) **EFFECTIVE DATE.**—The amendments made by  
 5 subsection (a) apply to terminations for which notice is  
 6 provided on or after the date of the enactment of this Act.

7   **SEC. 5. CONTINUITY OF CARE IN CASE OF INVOLUNTARY**  
 8                           **TERMINATION.**

9           (a) **IN GENERAL.**—Section 1852(d) of the Social Se-  
 10 curity Act (42 U.S.C. 1395w–22(d)) is amended by adding  
 11 at the end the following new paragraph:

12                   “(5) **CONTINUITY OF CARE.**—

13                           “(A) **IN GENERAL.**—If—

14                                   “(i) an individual’s enrollment with a  
 15                                   Medicare+Choice plan offered by a  
 16                                   Medicare+Choice organization under this  
 17                                   part is terminated by the organization  
 18                                   (other than for cause with respect to that  
 19                                   individual), and

20                                   “(ii) on the effective date of such ter-  
 21                                   mination of enrollment the individual is in  
 22                                   a course of treatment for which coverage is  
 23                                   available under the plan and the individual  
 24                                   is not at that time covered under another  
 25                                   Medicare+Choice plan,

notwithstanding such termination the organization shall continue to provide coverage for the covered course of treatment for a period of 90 days after such effective date.

“(B) PERMISSIBLE TERMS AND CONDITIONS.—The coverage provided under subparagraph (A) shall be under the same terms and conditions (including applicable policies, procedures, and quality assurance standards) as existed on the date before the effective date of the termination.

“(C) TERMINATE DEFINED.—In this paragraph, the term ‘terminate’ includes the termination of a Medicare+Choice plan as a result of the expiration or nonrenewal of a contract by the organization under this part.

“(D) CONSTRUCTION.—Nothing in this paragraph shall be construed to require the coverage of benefits which would not have been covered on the effective date of the termination involved.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts entered into or renewed on or after the date of the enactment of this Act.

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