

106TH CONGRESS  
1ST SESSION

# H. R. 1413

To amend title XVIII of the Social Security Act to expand and make permanent the Medicare demonstration project for military retirees and dependents.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1999

Mr. HEFLEY (for himself, Mr. ACKERMAN, Mr. BALDACCI, Mr. BARTLETT of Maryland, Mr. BEREUTER, Mr. BOEHLERT, Mr. BOUCHER, Mr. BRYANT, Mr. CHAMBLISS, Mr. CLEMENT, Mr. COLLINS, Mr. CONDIT, Mr. COOKSEY, Mr. DEFazio, Ms. DEGETTE, Mr. DEUTSCH, Mr. DIAZ-BALART, Mr. DICKEY, Mrs. EMERSON, Mr. ENGLISH, Mr. FARR of California, Mr. FILNER, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GALLEGLY, Mr. GOODLATTE, Mr. GOODLING, Mr. HANSEN, Mr. HILLEARY, Mrs. KELLY, Mr. LAHOOD, Mr. LUCAS of Oklahoma, Mr. LUTHER, Mr. MCCOLLUM, Mr. MCGOVERN, Mr. MCHUGH, Mr. MCKEON, Mr. METCALF, Mr. GARY MILLER of California, Mr. NORWOOD, Mr. OBERSTAR, Mr. OLVER, Mr. PACKARD, Mr. PALLONE, Mr. PASCRELL, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. SAXTON, Mr. SENSENBRENNER, Mr. SHOWS, Mr. SMITH of Washington, Mr. SPRATT, Mr. TANCREDO, Mr. TANNER, Mr. TAYLOR of North Carolina, Mr. TAYLOR of Mississippi, Mrs. THURMAN, Mr. TRAFICANT, Mr. UNDERWOOD, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELLER, Mr. WHITFIELD, Ms. WOOLSEY, Mr. YOUNG of Alaska, Mr. STUPAK, Mr. STUMP, and Mr. CAPUANO) 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 expand

and make permanent the Medicare demonstration project for military retirees and dependents.

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. MEDICARE SUBVENTION PROJECT FOR MILI-**  
 4 **TARY RETIREES AND DEPENDENTS.**

5        (a) EXPANSION OF SITES.—

6            (1) EXPANSION TO 16 SITES.—Effective Janu-  
 7 ary 1, 2000, subsection (b)(2) of section 1896 of the  
 8 Social Security Act (42 U.S.C. 1395ggg) is amended  
 9 by striking “6” and inserting “16”.

10            (2) FUTURE REPEAL OF LIMITATION ON NUM-  
 11 BER OF SITES.—Effective October 1, 2002, para-  
 12 graph (2) of section 1896(b) of such Act is amended  
 13 to read as follows:

14        “(2) LOCATION OF SITES.—The program shall be  
 15 conducted in any site designated jointly by the admin-  
 16 istering Secretaries.”.

17        (b) MAKING PROJECT PERMANENT; CHANGES IN  
 18 PROJECT REFERENCES.—

19            (1) ELIMINATION OF TIME LIMITATION.—Para-  
 20 graph (4) of section 1896(b) of such Act is repealed.

21            (2) TREATMENT OF CAPS.—Subsection (i)(4) of  
 22 section 1896 of such Act is amended by adding at  
 23 the end the following:

1           “This paragraph shall not apply after calendar  
2 year 2000.”.

3           (3) CONFORMING CHANGES OF REFERENCES TO  
4 DEMONSTRATION PROJECT.—Section 1896 of such  
5 Act is further amended—

6           (A) in the heading, by striking “DEM-  
7 ONSTRATION PROJECT” and inserting “PRO-  
8 GRAM”;

9           (B) by amending subsection (a)(2) to read  
10 as follows:

11           “(2) PROGRAM.—The term ‘program’ means the pro-  
12 gram carried out under this section.”;

13           (C) in the heading to subsection (b), by  
14 striking “DEMONSTRATION PROJECT” and in-  
15 serting “PROGRAM”;

16           (D) by striking “demonstration project” or  
17 “project” each place either appears and insert-  
18 ing “program”;

19           (E) in subsection (k)(2)—

20           (i) by striking “EXTENSION AND EX-  
21 PANSION OF DEMONSTRATION PROJECT”  
22 and inserting “PROGRAM”; and

23           (ii) by striking subparagraphs (A)  
24 through (C) and inserting the following:

1           “(A) whether there is a cost to the health  
2           care program under this title in conducting the  
3           program under this section; and

4           “(B) whether the terms and conditions of  
5           the program should be modified.”.

6           (4) ADDITIONAL CONFORMING AMENDMENT.—  
7           Paragraph (5) of section 1896(b) of such Act is re-  
8           pealed.

9           (c) PERMITTING PAYMENT ON A FEE-FOR-SERVICE  
10          BASIS.—

11           (1) IN GENERAL.—Section 1896 of the Social  
12          Security Act is further amended by adding at the  
13          end the following new subsection:

14           “(1) PAYMENT ON A FEE-FOR-SERVICE BASIS.—In-  
15          stead of the payment method described in subsection (i)(1)  
16          and in the case of individuals who are not enrolled in the  
17          program in the manner described in subsection (d)(1), the  
18          Secretary may reimburse the Secretary of Defense for  
19          services provided under the program at a rate that does  
20          not exceed the rate of payment that would otherwise be  
21          made under this title for such services if sections 1814(c)  
22          and 1835(d), and paragraphs (2) and (3) of section  
23          1862(a), did not apply.”.

24           (2) CONFORMING AMENDMENTS.—Such section  
25          is further amended—

1 (A) in subsections (b)(1)(B)(v) and  
2 (b)(1)(B)(viii)(I), by inserting “or subsection  
3 (l)” after “subsection (i)”;  
4

5 (B) in subsection (b)(2), by adding at the  
6 end the following: “If feasible, at least one of  
7 the sites shall be conducted using the fee-for-  
8 service reimbursement method described in sub-  
9 section (l).”;

10 (C) in subsection (d)(1)(A), by inserting  
11 “(insofar as it provides for the enrollment of in-  
12 dividuals and payment on the basis described in  
13 subsection (i))” before “shall meet”;

14 (D) in subsection (d)(1)(A), by inserting  
15 “and the program (insofar as it provides for  
16 payment for facility services on the basis de-  
17 scribed in subsection (l)) shall meet all require-  
18 ments for such facilities under this title” after  
19 “medicare payments”;

20 (E) in subsection (d)(2), by inserting “, in-  
21 sofar as it provides for the enrollment of indi-  
22 viduals and payment on the basis described in  
23 subsection (i),” before “shall comply”;

24 (F) in subsection (g)(1), by inserting “, in-  
25 sofar as it provides for the enrollment of indi-  
viduals and payment on the basis described in

1 subsection (i),” before “the Secretary of De-  
2 fense”;

3 (G) in subsection (i)(1), by inserting “and  
4 subsection (l)” after “of this subsection”;

5 (H) in subsection (i)(4), by inserting “and  
6 subsection (l)” after “under this subsection”;

7 and

8 (I) in subsection (j)(2)(B)(ii), by inserting  
9 “or subsection (l)” after “subsection (i)(1)”.

10 (3) EFFECTIVE DATE.—The amendments made  
11 by this subsection take effect on January 1, 2000,  
12 and apply to services furnished on or after such  
13 date.

14 (d) ELIMINATION OF RESTRICTION ON ELIGI-  
15 BILITY.—Section 1896(b)(1) of such Act is amended by  
16 adding at the end the following new subparagraph:

17 “(C) ELIMINATION OF RESTRICTIVE POL-  
18 ICY.—If the enrollment capacity in the program  
19 has been reached at a particular site designated  
20 under paragraph (2) and the Secretary there-  
21 fore limits enrollment at the site to medicare-  
22 eligible military retirees and dependents who  
23 are enrolled in TRICARE Prime (as defined for  
24 purposes of chapter 55 of title 10, United  
25 States Code) at the site immediately before at-

1           taining 65 years of age, participation in the  
2           program by a retiree or dependent at such site  
3           shall not be restricted based on whether the re-  
4           tiree or dependent has a civilian primary care  
5           manager instead of a military primary care  
6           manager.”.

7           (e) MEDIGAP PROTECTION FOR ENROLLEES.—Sec-  
8           tion 1896 of such Act is further amended by adding at  
9           the end the following new subsection:

10          “(m) MEDIGAP PROTECTION FOR ENROLLEES.—(1)  
11          Subject to paragraph (2), the provisions of section  
12          1882(s)(3) (other than clauses (i) through (iv) of subpara-  
13          graph (B)) and 1882(s)(4) of the Social Security Act shall  
14          apply to any enrollment (and termination of enrollment)  
15          in the program (for which payment is made on the basis  
16          described in subsection (i)) in the same manner as they  
17          apply to enrollment (and termination of enrollment) with  
18          a Medicare+Choice organization in a Medicare+Choice  
19          plan.

20          “(2) In applying paragraph (1)—

21                 “(A) in the case of enrollments occurring before  
22                 January 1, 2000, any reference in clause (v) or (vi)  
23                 of section 1882(s)(3)(B) of such Act to 12 months  
24                 is deemed a reference to the period ending on De-  
25                 cember 31, 2000; and

1           “(B) the notification required under section  
2           1882(s)(3)(D) of such Act shall be provided in a  
3           manner specified by the Secretary of Defense in con-  
4           sultation with the Director of the Office of Per-  
5           sonnel Management.”.

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