

106TH CONGRESS
2D SESSION

H. R. 4555

To provide for a 6-year demonstration project to stabilize coverage and benefits under the Medicare+Choice Program.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2000

Mr. BROWN of Ohio 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

A BILL

To provide for a 6-year demonstration project to stabilize coverage and benefits under the Medicare+Choice Program.

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+Choice Reli-
5 ability Act of 2000”.

1 **SEC. 2. ESTABLISHMENT OF 6-YEAR DEMONSTRATION**
2 **PROJECT TO STABILIZE COVERAGE AND BEN-**
3 **EFITS UNDER THE MEDICARE+CHOICE PRO-**
4 **GRAM.**

5 (a) IN GENERAL.—The Secretary of Health and
6 Human Services shall establish under this section a dem-
7 onstration project under which Medicare+Choice organi-
8 zations under part C of title XVIII of the Social Security
9 Act may elect to provide Medicare+Choice plans in ac-
10 cordance with the special provisions of the project.

11 (b) DURATION.—The project shall extend over a pe-
12 riod of 6 years.

13 (c) GENERAL DESCRIPTION OF SPECIAL TERMS.—
14 Under the project:

15 (1) PAYMENT AMOUNT BASED ON PAYMENTS
16 UNDER TRADITIONAL FEE-FOR-SERVICE PRO-
17 GRAM.—There shall be substituted for the annual
18 Medicare+Choice capitation rate under section
19 1853(a) the fee-for-service-related amount described
20 in subsection (d). Payment of such amount is sub-
21 ject to risk-adjustment in the manner described in
22 section 1853(a)(3) of the Social Security Act (42
23 U.S.C. 1395w-23(a)(3)).

24 (2) 3-YEAR CONTRACT.—The period of the con-
25 tract under section 1857(c)(1) of such Act (42
26 U.S.C. 1395w-27(c)(1)) shall be for a term of 3

1 years. For the duration of the contract the
2 Medicare+Choice organization—

3 (A) may not modify premiums and bene-
4 fits, unless the Secretary determines that such
5 modifications would increase the value of the
6 coverage; and

7 (B) may not withdraw from any part of
8 the service area.

9 (3) SERVICE AREA.—

10 (A) ESTABLISHMENT.—Taking into ac-
11 count factors such as commercial rating pat-
12 terns, the Secretary shall designate geographic
13 areas as service areas for purposes of the
14 project. Such areas may be portions of a State
15 or an entire State. Each county or equivalent
16 area shall be in one, and only one, service area.
17 No Medicare+Choice plan under the project
18 may serve any part of a service area without
19 serving all parts of that service area.

20 (B) UNIFORM BENEFITS IN A SERVICE
21 AREA.—

22 (i) IN GENERAL.—Subject to clause
23 (i), a Medicare+Choice plan shall provide
24 the same benefits to all enrollees in a serv-
25 ice area.

1 (ii) ADAPTION BY HEALTH MAINTENANCE ORGANIZATIONS.—In applying
2 clause (i) in the case of a plan that is a
3 health maintenance organization, if limita-
4 tions in provider contracts prevent the plan
5 from maintaining the provider contracts in
6 certain parts of a service area, the plan
7 may establish a preferred provider network
8 or fee-for-service plan in those parts of the
9 service area, but only if the cost-sharing
10 applicable to such a network or plan is not
11 established in a manner that discourages
12 enrollment of residents in those parts of
13 the service area.

15 (4) NO REQUIREMENT FOR SUPPLEMENTAL
16 BENEFITS.—The provisions of sections
17 1852(a)(1)(B), 1854(e), and 1854(f)(1)(A) (relating
18 to requirement for supplemental benefits) of the So-
19 cial Security Act (42 U.S.C. 1395w–22(a)(1)(B),
20 1395w–24(e), 1395w–24(f)) shall not apply.

21 (d) FEE-FOR-SERVICE-RELATED PAYMENT
22 AMOUNT.—

23 (1) IN GENERAL.—The amount described in
24 this subsection for a service area is the Secretary’s
25 estimate of the adjusted average per capita cost (as

1 determined under section 1876(a)(4) of the Social
2 Security Act, 42 U.S.C. 1395mm(a)(4)) for the serv-
3 ice area for the contract year.

4 (2) EXCLUSION OF MEDICAL EDUCATION
5 COSTS.—In determining the amounts under para-
6 graph (1), the Secretary shall not take into account
7 payments attributable to—

8 (A) graduate medical education payments
9 under section 1886(h) of the Social Security
10 Act (42 U.S.C. 1395ww(h));

11 (B) disproportionate share hospital pay-
12 ments described in section 1886(d)(5)(F) of
13 such Act (42 U.S.C. 1395ww(d)(5)(F)); or

14 (C) indirect costs of medical education de-
15 scribed in section 1886(d)(5)(B) of such Act
16 (42 U.S.C. 1395ww(d)(5)(B)).

17 (e) SANCTIONS FOR VIOLATION OF PROJECT
18 TERMS.—

19 (1) IN GENERAL.—The Secretary may provide
20 for such sanctions as may be appropriate to assure
21 that Medicare+Choice organizations that elect to
22 participate in the project meet the contractual terms
23 of the contract, including maintaining benefits and
24 coverage during the entire period of the contract.

1 (2) CONSTRUCTION.—Nothing in this sub-
2 section shall be construed as preventing the Sec-
3 retary from terminating a Medicare+Choice organi-
4 zation’s participation in the project for cause or for
5 other conditions for which a contract under section
6 1857 of the Social Security Act (42 U.S.C. 1395w-
7 27) could be terminated.

8 (f) RELATION TO MEDICARE PART C.—
9 Medicare+Choice organizations participating in the
10 project shall comply with the provisions of the
11 Medicare+Choice program except to the extent that such
12 provisions are superseded by the provisions in the project.

13 (g) EVALUATION AND REPORT.—The Secretary shall
14 continuously assess the effectiveness of the project in sta-
15 bilizing coverage and benefits under the Medicare+Choice
16 program. The Secretary shall submit a report to Congress
17 on such evaluation after the completion of 4 years of the
18 project.

19 (h) DEFINITIONS.—For purposes of this section:

20 (1) MEDICARE+CHOICE ORGANIZATION;
21 MEDICARE+CHOICE PLAN.—The terms
22 “Medicare+Choice organization” and
23 “Medicare+Choice plan” have the meanings given
24 such terms under the Medicare+Choice program.

1 (2) MEDICARE+CHOICE PROGRAM.—The term
2 “Medicare+Choice program” means the program
3 under part C of title XVIII of the Social Security
4 Act.

5 (3) PROJECT.—The term “project” means the
6 demonstration project established under this section.

7 (4) SECRETARY.—The term “Secretary” means
8 the Secretary of Health and Human Services .

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