

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2557

To amend title XVIII of the Social Security Act to improve access to Medicare+Choice plans for special needs medicare beneficiaries, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 23, 2002

Mr. HATCH (for himself, Mr. GRAHAM, Mr. ALLARD, Mr. KENNEDY, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to improve access to Medicare+Choice plans for special needs medicare beneficiaries, and for other purposes.

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 Improve-  
5       ments for Special Needs Beneficiaries Act of 2002”.

1 **SEC. 2. SPECIALIZED MEDICARE+CHOICE PLANS FOR SPE-**  
2 **CIAL NEEDS BENEFICIARIES.**

3 (a) ESTABLISHMENT OF SPECIALIZED  
4 MEDICARE+CHOICE PLANS FOR SPECIAL NEEDS BENE-  
5 FICIARIES.—

6 (1) TREATMENT AS COORDINATED CARE  
7 PLAN.—Section 1851(a)(2)(A) of the Social Security  
8 Act (42 U.S.C. 1395w–21(a)(2)(A)) is amended by  
9 adding at the end the following new sentence: “Spe-  
10 cialized Medicare+Choice plans for special needs  
11 beneficiaries (as defined in section 1859(b)(4)) may  
12 be any type of coordinated care plan.”.

13 (2) SPECIALIZED MEDICARE+CHOICE PLAN  
14 FOR SPECIAL NEEDS BENEFICIARIES DEFINED.—  
15 Section 1859(b) of the Social Security Act (42  
16 U.S.C. 1395w–28(b)) is amended by adding at the  
17 end the following new paragraph:

18 “(4) SPECIALIZED MEDICARE+CHOICE PLANS  
19 FOR SPECIAL NEEDS BENEFICIARIES.—

20 “(A) IN GENERAL.—The term ‘specialized  
21 Medicare+Choice plan for special needs bene-  
22 ficiaries’ means a Medicare+Choice plan that  
23 exclusively serves special needs beneficiaries (as  
24 defined in subparagraph (B)).

1           “(B) SPECIAL NEEDS BENEFICIARY.—The  
2           term ‘special needs beneficiary’ means a  
3           Medicare+Choice eligible individual who—

4                   “(i) is institutionalized (as defined by  
5                   the Secretary);

6                   “(ii) is entitled to medical assistance  
7                   under a State plan under title XIX; or

8                   “(iii) meets such other requirements  
9                   as the Secretary may establish for pur-  
10                  poses of identifying beneficiaries with a se-  
11                  vere and disabling chronic condition who  
12                  would benefit from enrollment in a  
13                  Medicare+Choice plan described in sub-  
14                  paragraph (A).”.

15           (3) RESTRICTION ON ENROLLMENT PER-  
16           MITTED.—Section 1859 of the Social Security Act  
17           (42 U.S.C. 1395w-28) is amended by adding at the  
18           end the following new subsection:

19           “(f) RESTRICTION ON ENROLLMENT FOR SPECIAL-  
20           IZED MEDICARE+CHOICE PLANS FOR SPECIAL NEEDS  
21           BENEFICIARIES.—In the case of a specialized  
22           Medicare+Choice plan for special needs beneficiaries (as  
23           defined in subsection (b)(4)), notwithstanding any other  
24           provision of this part and in accordance with regulations  
25           of the Secretary and for periods before January 1, 2008,

1 the plan may restrict the enrollment of individuals under  
 2 the plan to individuals who are within 1 or more classes  
 3 of special needs beneficiaries.”.

4 (4) ADDITIONAL REQUIREMENTS FOR SPECIAL-  
 5 IZED MEDICARE+CHOICE PLANS FOR SPECIAL  
 6 NEEDS BENEFICIARIES.—Section 1857(e) of the So-  
 7 cial Security Act (42 U.S.C. 1395w-27(e)) is  
 8 amended by adding at the end the following new  
 9 paragraph:

10 “(3) ADDITIONAL REQUIREMENTS FOR SPE-  
 11 CIALIZED MEDICARE+CHOICE PLANS FOR SPECIAL  
 12 NEEDS BENEFICIARIES.—In the case of a specialized  
 13 Medicare+Choice plan for special needs beneficiaries  
 14 (as defined in section 1859(b)(4)), the contract shall  
 15 include additional terms and conditions as follows:

16 “(A) CLINICAL DELIVERY SYSTEM.—

17 “(i) IN GENERAL.—Under the con-  
 18 tract, the organization offering the special-  
 19 ized Medicare+Choice plan for special  
 20 needs beneficiaries shall establish a clinical  
 21 delivery system that meets the needs of  
 22 special needs beneficiaries (as defined in  
 23 section 1859(b)(4)(B)) enrolled in the  
 24 plan.

1           “(ii) ELEMENTS.—The clinical deliv-  
2           ery system established under clause (i)  
3           shall include the following:

4                   “(I) A comprehensive patient as-  
5                   sessment and plan of care.

6                   “(II) Methods to prevent, delay,  
7                   or minimize the progression of severe  
8                   and disabling chronic conditions.

9                   “(III) Care management proto-  
10                  cols, including high-risk screening to  
11                  identify factors that may increase the  
12                  cost of care provided to special needs  
13                  beneficiaries.

14                  “(IV) Appropriate specially  
15                  trained health care staff, such as  
16                  nurse practitioners, geriatric care  
17                  managers, and mental health profes-  
18                  sionals.

19                  “(V) Methods for promoting the  
20                  integration of care, financing, and ad-  
21                  ministrative functions across health  
22                  care settings.

23                   “(B) DATA COLLECTION; DEVELOPMENT  
24                   OF OUTCOME MEASURES.—

1           “(i) DATA COLLECTION.—Under the  
2 contract, the organization offering the spe-  
3 cialized Medicare+Choice plan for special  
4 needs beneficiaries shall—

5           “(I) collect such data as the Sec-  
6 retary may specify for the purpose of  
7 monitoring the quality of health care  
8 items and services provided to special  
9 needs beneficiaries enrolled in the  
10 plan, outcomes, and costs, including  
11 functional and diagnostic data and in-  
12 formation collected through outcome  
13 measures developed under clause (ii);

14           “(II) maintain, and afford the  
15 Secretary access to, the records relat-  
16 ing to the plan, including pertinent fi-  
17 nancial, medical, and personnel  
18 records; and

19           “(III) make available to the Sec-  
20 retary reports that the Secretary finds  
21 necessary to monitor the operation,  
22 cost, and effectiveness of the plan.

23           “(ii) DEVELOPMENT OF OUTCOME  
24 MEASURES.—Under the contract, the orga-  
25 nization offering the specialized

1 Medicare+Choice plan for special needs  
2 beneficiaries and the Secretary shall jointly  
3 cooperate in the development and imple-  
4 mentation of health status and quality of  
5 life outcome measures with respect to spe-  
6 cial needs beneficiaries (as defined in sec-  
7 tion 1859(b)(4)(B)) enrolled in the plan.

8 “(C) QUALITY ASSURANCE; PATIENT SAFE-  
9 GUARDS.—The contract shall require the orga-  
10 nization offering the specialized  
11 Medicare+Choice plan for special needs bene-  
12 ficiaries to have in effect, at a minimum, a writ-  
13 ten plan of quality assurance and improvement,  
14 and procedures implementing such plan, in ac-  
15 cordance with regulations.

16 “(D) OVERSIGHT.—The contract shall pro-  
17 vide that the Secretary shall conduct, in addi-  
18 tion to any other review conducted under this  
19 part, such review of the operation of specialized  
20 Medicare+Choice plans for special needs bene-  
21 ficiaries and organizations offering such plans  
22 as may be appropriate in order to ensure the  
23 compliance of the plans and organizations with  
24 the requirements of this part and regulations to  
25 carry out such requirements.”.

1 (b) EFFECTIVE DATES.—

2 (1) IN GENERAL.—The amendments made by  
3 subsection (a) shall take effect upon the date of en-  
4 actment of this Act.

5 (2) DEADLINE FOR ISSUANCE OF REQUIRE-  
6 MENTS FOR SPECIAL NEEDS BENEFICIARIES; TRAN-  
7 SITION.—Not later than October 1, 2003, the Sec-  
8 retary of Health and Human Services shall issue  
9 final regulations to establish requirements for special  
10 needs beneficiaries under section 1859(b)(4)(B)(iii)  
11 of the Social Security Act (as added by subsection  
12 (a)(2)).

13 **SEC. 3. GAO REPORT TO CONGRESS ON SPECIALIZED**  
14 **MEDICARE+CHOICE PLANS FOR SPECIAL**  
15 **NEEDS BENEFICIARIES.**

16 (a) IN GENERAL.—Not later than December 31,  
17 2006, the Comptroller General of the United States shall  
18 submit to Congress a report that assesses the impact of  
19 specialized Medicare+Choice plans for special needs bene-  
20 ficiaries (as defined in section 1859(b)(4) of the Social Se-  
21 curity Act (as added by section 2(a)(2))) on the cost and  
22 quality of services provided to enrollees.

23 (b) CONTENTS.—The report submitted under sub-  
24 section (a) shall contain the following elements:



1           (1) A general assessment of the operations of  
2 the specialized Medicare+Choice plans for special  
3 needs beneficiaries.

4           (2) Information on the demographics and  
5 health status of beneficiaries enrolled in such plans.

6           (3) Information on such plans' clinical models  
7 of care.

8           (4) Information on the performance of such  
9 plans related to such quality indicators as the Sec-  
10 retary determines to be appropriate.

11          (5) An assessment of the marketing materials  
12 and practices of the plans.

13          (6) An assessment of the plans' ability to inte-  
14 grate care, financing, and administrative functions  
15 across health care settings.

16          (7) A general assessment of the costs and any  
17 savings to the medicare program under title XVIII  
18 of the Social Security Act as a result of amendments  
19 made by section 2.

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