114TH CONGRESS
1ST SESSION

H. R. 2582

AN ACT

To amend title XVIII of the Social Security Act to delay the authority to terminate Medicare Advantage contracts for MA plans failing to achieve minimum quality ratings, to make improvements to the Medicare Adjustment risk adjustment system, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Seniors' Health Care Plan Protection Act of 2015''.

SEC. 2. DELAY IN AUTHORITY TO TERMINATE CONTRACTS FOR MEDICARE ADVANTAGE PLANS FAILING TO ACHIEVE MINIMUM QUALITY RATINGS.

(a) FINDINGS.—Consistent with the studies provided under the IMPACT Act of 2014 (Public Law 113–185), it is the intent of Congress—

(1) to continue to study and request input on the effects of socioeconomic status and dual-eligible populations on the Medicare Advantage STARS rating system before reforming such system with the input of stakeholders; and

(2) pending the results of such studies and input, to provide for a temporary delay in authority of the Centers for Medicare & Medicaid Services (CMS) to terminate Medicare Advantage plan contracts solely on the basis of performance of plans under the STARS rating system.

(b) DELAY IN MA CONTRACT TERMINATION AUTHORITY FOR PLANS FAILING TO ACHIEVE MINIMUM QUALITY RATINGS.—Section 1857(h) of the Social Security Act (42 U.S.C. 1395w–27(h)) is amended by adding at the end the following new paragraph:

"(3) DELAY IN CONTRACT TERMINATION AUTHORITY FOR PLANS FAILING TO ACHIEVE MINIMUM QUALITY RATING.—The Secretary may not terminate a contract under this section with respect to the offering of an MA plan by a Medicare Advantage organization solely because the MA plan has failed to achieve a minimum quality rating under the 5-star rating system established under section 1853(o) during the period beginning on the date of the enactment of this paragraph and through the end of plan year 2018.".

SEC. 3. IMPROVEMENTS TO MA RISK ADJUSTMENT SYSTEM.

Section 1853(a)(1)(C) of the Social Security Act (42 U.S.C. 1395w–23(a)(1)(C)) is amended by adding at the end the following new clauses:

"(iv) EVALUATION AND SUBSEQUENT REVISION OF THE RISK ADJUSTMENT SYSTEM TO ACCOUNT FOR CHRONIC CONDITIONS AND OTHER FACTORS FOR THE PURPOSE OF MAKING THE RISK ADJUSTMENT SYSTEM MORE ACCURATE, TRANSPARENT, AND REGULARLY UPDATED.—

"(I) REVISION BASED ON NUMBER OF CHRONIC CONDITIONS.—The Secretary shall revise for 2017 and

periodically thereafter, the risk adjustment system under this subparagraph so that a risk score under such system, with respect to an individual, takes into account the number of chronic conditions with which the individual has been diagnosed.

''(II) EVALUATION OF DIFFERENT RISK ADJUSTMENT MODELS.—The Secretary shall evaluate the impact of including 2 years of data to compare the models used to determine risk scores for 2013 and 2014 under such system.

''(III) EVALUATION AND ANALYSIS ON CHRONIC KIDNEY DISEASE (CKD) CODES.—The Secretary shall evaluate the impact of removing the diagnosis codes related to chronic kidney disease in the 2014 risk adjustment model and conduct an analysis of best practices of MA plans to slow disease progression related to chronic kidney disease.

"(IV) EVALUATION AND RECOMMENDATIONS ON USE OF ENCOUNTER DATA.—The Secretary shall evaluate the impact of including 10 percent of encounter data in computing payment for 2016 and the readiness of the Centers for Medicare & Medicaid Services to incorporate encounter data in risk scores. In conducting such evaluation, the Secretary shall use data collected as encounter data on or after January 1, 2012, shall analyze such data for accuracy and completeness and issue recommendations for improving such accuracy and completeness, and shall not increase the percentage of such encounter data used unless the Secretary releases the data publicly, indicates how such data will be weighted in computing the risk scores, and ensures that the data reflects the degree and cost of care coordination under MA plans.

"(V) CONDUCT OF EVALUATIONS.—Evaluations and analyses under subclause (II) through (IV) shall include an actuarial opinion from the Chief Actuary of the Centers for Medicare & Medicaid Services about the reasonableness of the methods, assumptions, and conclusions of such evaluations and analyses. The Secretary shall consult with the Medicare Payment Advisory Commission and accept and consider comments of stakeholders, such as managed care organizations and beneficiary groups, on such evaluation and analyses. The Secretary shall complete such evaluations and analyses in a manner that permits the results to be applied for plan years beginning with the second plan year that begins after the date of the enactment of this clause.

"(VI) IMPLEMENTATION OF REVISIONS BASED ON EVALUATIONS.—If the Secretary determines, based on such an evaluation or analysis, that

revisions to the risk adjustment system to address the matters described in any of subclauses (II) through (IV) would make the risk adjustment system under this subparagraph better reflect and appropriately weight for the population that is served by the plan, the Secretary shall, beginning with 2017, and periodically thereafter, make such revisions.

''(VII) PERIODIC REPORTING TO CONGRESS.—With respect to plan years beginning with 2017 and every third year thereafter, the Secretary shall submit to Congress a report on the most recent revisions (if any) made under this clause, including the evaluations conducted under subclauses (II) through (IV).

''(v) NO CHANGES TO ADJUSTMENT FACTORS THAT PREVENT ACTIVITIES CONSISTENT WITH NATIONAL HEALTH POLICY GOALS.—In making any changes to the adjustment factors, including adjustment for health status under paragraph (3), the

Secretary shall ensure that the changes do not prevent Medicare Advantage organizations from performing or undertaking activities that are consistent with national health policy goals, including activities to promote early detection and better care coordination, the use of health risk assessments, care plans, and programs to slow the progression of chronic diseases.

''(vi) OPPORTUNITY FOR REVIEW AND PUBLIC COMMENT REGARDING CHANGES TO ADJUSTMENT FACTORS.—For changes to adjustment factors effective for 2017 and subsequent years, in addition to providing notice of such changes in the announcement under subsection (b)(2), the Secretary shall provide an opportunity for review of proposed changes of not less than 60 days and a public comment period of not less than 30 days before implementing such changes.''.

SEC. 4. SENSE OF CONGRESS RELATING TO MEDICARE ADVANTAGE STAR RATING SYSTEM.

It is the sense of Congress that—

(1) the Centers for Medicare & Medicaid Services has inadvertently created a star rating system under section 1853(o)(4) of the Social Security Act (42 U.S.C. 1395w–23(o)(4)) for Medicare Advantage plans that lacks proper accounting for the socioeconomic status of enrollees in such plans and the extent to which such plans serve individuals who are also eligible for medical assistance under title XIX of such Act; and

(2) Congress will work with the Centers for Medicare & Medicaid Services and stakeholders, including beneficiary groups and managed care organizations, to ensure that such rating system properly accounts for the socioeconomic status of enrollees in such plans and the extent to which such plans serve such individuals described in paragraph (1).

SEC. 5. SENSE OF CONGRESS RELATING TO MEDICARE ADVANTAGE RISK ADJUSTMENT.

It is the sense of Congress that—

(1) the Secretary of Health and Human Services should periodically monitor and improve the Medicare Advantage risk adjustment model to ensure that it accurately accounts for beneficiary risk, including for those individuals with complex chronic comorbid conditions;

(2) the Secretary should closely examine the current Medicare Advantage risk adjustment methodology to ensure that plans enrolling beneficiaries with the greatest health care needs receive adequate reimbursement to deliver high-quality care and other services to help beneficiaries avoid costly complications and further progression of chronic conditions and to the extent data indicate this to be the case, the Secretary should make necessary adjustment to the risk adjustment methodology; and

(3) the Secretary should reconsider the implementation of changes in the Medicare Advantage risk adjustment methodology finalized for 2016 and to use to the extent appropriate the methodology finalized in 2015 for one additional year.

Passed the House of Representatives June 17, 2015.

Attest:

Clerk.

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