

114TH CONGRESS  
1ST SESSION

# H. R. 2582

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

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## IN THE HOUSE OF REPRESENTATIVES

MAY 29, 2015

Mr. BUCHANAN (for himself, Mr. RANGEL, Mrs. BLACKBURN, Mrs. BLACK, Mr. BLUMENAUER, Mr. GUTHRIE, and Mr. LOEBSACK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 improve the risk adjustment under the Medicare Advantage program, to delay the authority to terminate Medicare Advantage contracts for MA plans failing to achieve minimum quality ratings, 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 “Securing Senior’s  
5 Health Care Act of 2015”.

1 **SEC. 2. IMPROVEMENTS TO MA RISK ADJUSTMENT SYSTEM.**

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

5 “(iv) EVALUATION AND SUBSEQUENT  
6 REVISION OF THE RISK ADJUSTMENT SYS-  
7 TEM TO ACCOUNT FOR CHRONIC CONDI-  
8 TIONS AND OTHER FACTORS FOR THE  
9 PURPOSE OF MAKING THE RISK ADJUST-  
10 MENT SYSTEM MORE ACCURATE, TRANS-  
11 PARENT, AND REGULARLY UPDATED.—

12 “(I) REVISION BASED ON NUM-  
13 BER OF CHRONIC CONDITIONS.—The  
14 Secretary shall revise for 2017 and  
15 periodically thereafter, the risk adjust-  
16 ment system under this subparagraph  
17 so that a risk score under such sys-  
18 tem, with respect to an individual,  
19 takes into account the number of  
20 chronic conditions with which the in-  
21 dividual has been diagnosed.

22 “(II) EVALUATION OF DIF-  
23 FERENT RISK ADJUSTMENT MOD-  
24 ELS.—The Secretary shall evaluate  
25 the impact of including two years of  
26 data to compare the models used to

1 determine risk scores for 2013 and  
2 2014 under such system.

3 “(III) EVALUATION AND ANAL-  
4 YSIS ON CHRONIC KIDNEY DISEASE  
5 (CKD) CODES.—The Secretary shall  
6 evaluate the impact of removing the  
7 diagnosis codes related to chronic kid-  
8 ney disease in the 2014 risk adjust-  
9 ment model and conduct an analysis  
10 of best practices of MA plans to slow  
11 disease progression related to chronic  
12 kidney disease.

13 “(IV) EVALUATION AND REC-  
14 OMMENDATIONS ON USE OF ENCOUN-  
15 TER DATA.—The Secretary shall  
16 evaluate the impact of including 10  
17 percent of encounter data in com-  
18 puting payment for 2016 and the  
19 readiness of the Centers for Medicare  
20 & Medicaid Services to incorporate en-  
21 counter data in risk scores. In con-  
22 ducting such evaluation, the Secretary  
23 shall use data collected as encounter  
24 data on or after January 1, 2012,  
25 shall analyze such data for accuracy

1 and completeness and issue rec-  
2 ommendations for improving such ac-  
3 curacy and completeness, and shall  
4 not increase the percentage of such  
5 encounter data used unless the Sec-  
6 retary releases the data publicly, indi-  
7 cates how such data will be weighted  
8 in computing the risk scores, and en-  
9 sures that the data reflects the degree  
10 and cost of care coordination under  
11 MA plans.

12 “(V) CONDUCT OF EVALUA-  
13 TIONS.—Evaluations and analyses  
14 under subclauses (II) through (IV)  
15 shall include an actuarial opinion  
16 from the Chief Actuary of the Centers  
17 for Medicare & Medicaid Services  
18 about the reasonableness of the meth-  
19 ods, assumptions, and conclusions of  
20 such evaluations and analyses. The  
21 Secretary shall consult with the Medi-  
22 care Payment Advisory Commission  
23 and accept and consider comments of  
24 stakeholders, such as managed care  
25 organizations and beneficiary groups,

1 on such evaluation and analyses. The  
2 Secretary shall complete such evalua-  
3 tions and analyses in a manner that  
4 permits the results to be applied for  
5 plan years beginning with the second  
6 plan year that begins after the date of  
7 the enactment of this clause.

8 “(VI) IMPLEMENTATION OF RE-  
9 VISIONS BASED ON EVALUATIONS.—If  
10 the Secretary determines, based on  
11 such an evaluation or analysis, that  
12 revisions to the risk adjustment sys-  
13 tem to address the matters described  
14 in any of subclauses (II) through (IV)  
15 would make the risk adjustment sys-  
16 tem under this subparagraph better  
17 reflect and appropriately weight for  
18 the population that is served by the  
19 plan, the Secretary shall, beginning  
20 with 2017, and periodically thereafter,  
21 make such revisions.

22 “(VII) PERIODIC REPORTING TO  
23 CONGRESS.—With respect to plan  
24 years beginning with 2017 and every  
25 third year thereafter, the Secretary

1 shall submit to Congress a report on  
2 the most recent revisions (if any)  
3 made under this clause, including the  
4 evaluations conducted under sub-  
5 clauses (II) through (IV).

6 “(v) NO CHANGES TO ADJUSTMENT  
7 FACTORS THAT PREVENT ACTIVITIES CON-  
8 SISTENT WITH NATIONAL HEALTH POLICY  
9 GOALS.—In making any changes to the ad-  
10 justment factors, including adjustment for  
11 health status under paragraph (3), the  
12 Secretary shall ensure that the changes do  
13 not prevent Medicare Advantage organiza-  
14 tions from performing or undertaking ac-  
15 tivities that are consistent with national  
16 health policy goals, including activities to  
17 promote early detection and better care co-  
18 ordination, the use of health risk assess-  
19 ments, care plans, and programs to slow  
20 the progression of chronic diseases.

21 “(vi) OPPORTUNITY FOR REVIEW AND  
22 PUBLIC COMMENT REGARDING CHANGES  
23 TO ADJUSTMENT FACTORS.—For changes  
24 to adjustment factors effective for 2017  
25 and subsequent years, in addition to pro-

1           viding notice of such changes in the an-  
2           nouncement under subsection (b)(2), the  
3           Secretary shall provide an opportunity for  
4           review of proposed changes and a public  
5           comment period of not less than 60 days  
6           before implementing such changes.”.

7   **SEC. 3. SENSE OF CONGRESS RELATING TO MEDICARE AD-**  
8                   **VANTAGE STAR RATING SYSTEM.**

9           It is the sense of Congress that—

10           (1) the Centers for Medicare & Medicaid Serv-  
11           ices has inadvertently created a star rating system  
12           under section 1853(o)(4) of the Social Security Act  
13           (42 U.S.C. 1395w-23(o)(4)) for Medicare Advan-  
14           tage plans that lacks proper accounting for the so-  
15           cioeconomic status of enrollees in such plans and the  
16           extent to which such plans serve individuals who are  
17           also eligible for medical assistance under title XIX  
18           of such Act; and

19           (2) Congress will work with the Centers for  
20           Medicare & Medicaid Services and stakeholders, in-  
21           cluding beneficiary groups and managed care organi-  
22           zations, to ensure that such rating system properly  
23           accounts for the socioeconomic status of enrollees in  
24           such plans and the extent to which such plans serve  
25           such individuals described in paragraph (1).

1 **SEC. 4. DELAY IN AUTHORITY TO TERMINATE CONTRACTS**  
2 **FOR MEDICARE ADVANTAGE PLANS FAILING**  
3 **TO ACHIEVE MINIMUM QUALITY RATINGS.**

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

7 (1) to continue to study and request input on  
8 the effects of socioeconomic status and dual-eligible  
9 populations on the Medicare Advantage STARS rat-  
10 ing system before reforming such system; and

11 (2) pending the results of such studies and  
12 input, to provide for a temporary delay in authority  
13 of the Centers for Medicare & Medicaid Services  
14 (CMS) to terminate Medicare Advantage plan con-  
15 tracts solely on the basis of performance of plans  
16 under the STARS rating system.

17 (b) DELAY IN MA CONTRACT TERMINATION AU-  
18 THORITY FOR PLANS FAILING TO ACHIEVE MINIMUM  
19 QUALITY RATINGS.—Section 1857(h) of the Social Secu-  
20 rity Act (42 U.S.C. 1395w–27(h)) is amended by adding  
21 at the end the following new paragraph:

22 “(3) DELAY IN CONTRACT TERMINATION AU-  
23 THORITY FOR PLANS FAILING TO ACHIEVE MINIMUM  
24 QUALITY RATING.—The Secretary may not termi-  
25 nate a contract under this section with respect to  
26 the offering of an MA plan by a Medicare Advantage



1 organization solely because the MA plan has failed  
2 to achieve a minimum quality rating under the 5-  
3 star rating system established under section 1853(o)  
4 during the period beginning on the date of the en-  
5 actment of this paragraph and through the end of  
6 plan year 2018.”.

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