

104TH CONGRESS
2D SESSION

S. 1639

To require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare Program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

IN THE SENATE OF THE UNITED STATES

MARCH 21, 1996

Mr. DOLE (for himself, Mr. THURMOND, Mr. WARNER, and Mr. GRAMM) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare Program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DEMONSTRATION PROJECT FOR MEDICARE**
2 **REIMBURSEMENT OF DEPARTMENT OF DE-**
3 **FENSE FOR HEALTH CARE PROVIDED TO**
4 **Medicare-eligible BENEFICIARIES UNDER**
5 **TRICARE.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law and subject to subsection (b), the Secretary
8 of Defense and the Secretary of Health and Human Serv-
9 ices shall enter into an agreement in order to carry out
10 a demonstration project under which the Secretary of
11 Health and Human Services reimburses the Secretary of
12 Defense, on a capitated basis, from the Medicare Program
13 under title XVIII of the Social Security Act (42 U.S.C.
14 1395 et seq.) for certain health care services provided by
15 the Secretary of Defense to Medicare-eligible military
16 beneficiaries through the TRICARE Program.

17 (b) PROJECT REQUIREMENTS.—(1)(A) The Sec-
18 retary of Defense shall budget for and expend on health
19 care services in each region in which the demonstration
20 project is carried out an amount equal to the amount that
21 the Secretary would otherwise budget for and expend on
22 such services in the absence of the project.

23 (B) The Secretary may not be reimbursed under the
24 project for health care services provided to Medicare-eli-
25 gible military beneficiaries in a region until the amount ex-
26 pended by the Secretary to provide health care services

1 in that region exceeds the amount budgeted for health care
2 services in that region under subparagraph (A).

3 (2) The agreement between the Secretary of Defense
4 and the Secretary of Health and Human Services shall
5 provide that the cost to the Medicare Program of provid-
6 ing services under the project does not exceed the cost that
7 the Medicare Program would otherwise incur in providing
8 such services in the absence of the project.

9 (3) The authority of the Secretary of Defense to
10 carry out the project shall expire 3 years after the date
11 of the commencement of the project.

12 (c) REPORTS.—Not later than 14 months after the
13 commencement of the demonstration project under sub-
14 section (a), and annually thereafter until the year follow-
15 ing the year in which the project is terminated, the Sec-
16 retary of Defense and the Secretary of Health and Human
17 Services shall jointly submit to Congress a report on the
18 demonstration project. The report shall include the follow-
19 ing:

20 (1) The number of Medicare-eligible military
21 beneficiaries provided health care services under the
22 project during the previous year.

23 (2) An assessment of the benefits to such bene-
24 ficiaries of receiving health care services under the
25 project.

1 (3) A description of the cost shifting, if any,
2 among medical care programs of the Department of
3 Defense that results from the project.

4 (4) A description of the cost shifting, if any,
5 from the Department to the Medicare Program that
6 results from the project.

7 (5) An analysis of the effect of the project on
8 the following:

9 (A) Access to the military medical treat-
10 ment system, including access to military medi-
11 cal treatment facilities.

12 (B) The availability of space and facilities
13 and the capabilities of medical staff to provide
14 fee-for-service medical care.

15 (C) Established priorities for treatment of
16 beneficiaries under chapter 55 of title 10, Unit-
17 ed States Code.

18 (D) The cost to the Department of provid-
19 ing prescription drugs to the beneficiaries de-
20 scribed in subparagraph (C).

21 (E) The quality of health care provided by
22 the Department.

23 (F) Health care providers and Medicare-el-
24 igible military beneficiaries in the communities
25 in which the project is carried out.

1 (6) An assessment of the effects of continuing
2 the project on the overall budget of the Department
3 for health care and on the budget of each military
4 medical treatment facility.

5 (7) An assessment of the effects of continuing
6 the project on expenditures from the medicare trust
7 funds under title XVIII of the Social Security Act.

8 (8) An analysis of the lessons learned by the
9 Department as a result of the project.

10 (9) Any other information that the Secretary of
11 Defense and the Secretary of Health and Human
12 Services jointly consider appropriate.

13 (d) REVIEW BY COMPTROLLER GENERAL.—Not later
14 than December 31 of each year in which the demonstra-
15 tion project is carried out under this section, the Comp-
16 troller General shall determine and submit to Congress a
17 report on the extent, if any, to which the costs of the Sec-
18 retary of Defense under the TRICARE Program and the
19 costs of the Secretary of Health and Human Services
20 under the Medicare Program have increased as a result
21 of the project.

22 (e) DEFINITIONS.—For purposes of this section:

23 (1) The term “Medicare-eligible military bene-
24 ficiary” means a beneficiary under chapter 55 of
25 title 10, United States Code, who is entitled to bene-

1 fits under part A of title XVIII of the Social Secu-
2 rity Act.

3 (2) The term “TRICARE Program” means the
4 managed health care program that is established by
5 the Secretary of Defense under the authority of
6 chapter 55 of title 10, United States Code, prin-
7 cipally section 1097 of that title, and includes the
8 competitive selection of contractors to financially un-
9 derwrite the delivery of health care services under
10 the Civilian Health and Medical Program of the
11 Uniformed Services.

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