

105TH CONGRESS  
2D SESSION

# H. R. 4720

To amend title XVIII of the Social Security Act to extend for 6 months the contracts of certain managed care organizations under the Medicare Program.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1998

Mrs. CAPPS (for herself and Mr. GEJDENSON) 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

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## A BILL

To amend title XVIII of the Social Security Act to extend for 6 months the contracts of certain managed care organizations under the Medicare 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 HMO Bene-  
5 ficiary Emergency Relief Act of 1998”.

1 **SEC. 2. SIX-MONTH MORATORIUM ON TERMINATION OF**  
2 **RISK-SHARING CONTRACTS.**

3 (a) **IN GENERAL.**—Subject to subsection (b), and  
4 notwithstanding subsection (k) of section 1876 of the So-  
5 cial Security Act (42 U.S.C. 1395mm), if an eligible orga-  
6 nization has a risk-sharing contract under section 1876  
7 of such Act in effect on December 31, 1998, and does not  
8 covert such contract to a contract to offer a  
9 Medicare+Choice plan under part C of such Act (42  
10 U.S.C. 1395w–21 et seq.) effective on January 1, 1999,  
11 then such risk-sharing contract shall be deemed to be ex-  
12 tended through June 30, 1999, under the same terms and  
13 conditions applicable to such risk-sharing contract.

14 (b) **EXCEPTION.**—Subsection (a) shall not apply to  
15 an eligible organization with a risk-sharing contract if the  
16 Secretary of Health and Human Services determines that  
17 the reason for not converting such contract to a contract  
18 to offer a Medicare+Choice plan is that the organization  
19 is unable to offer such plan due to financial hardship on  
20 the part of the organization.

21 (c) **OPEN ENROLLMENT.**—Notwithstanding section  
22 1851(e)(6) of the Social Security Act (42 U.S.C. 1395w–  
23 21(e)(6)), a Medicare+Choice organization that is offer-  
24 ing a Medicare+Choice plan in an area that is affected  
25 by a contract extension described in subsection (a) shall  
26 accept, during the period beginning with November 1,

1 1998, and ending on June 30, 1999, elections to enroll  
2 in such plan by individuals who are currently enrolled  
3 under the contract that is being extended.

4 (d) AUTHORITY TO RENEGOTIATE CONTRACT.—Dur-  
5 ing the period that a risk-sharing contract is being ex-  
6 tended pursuant to subsection (a), the Secretary and the  
7 eligible organization whose contract is being extended may  
8 negotiate for a new contract under section 1857 of the  
9 Social Security Act (42 U.S.C. 1395w–27), including the  
10 submission by the organization of a new adjusted commu-  
11 nity rate for benefits, which may enable such organization  
12 to convert such contract to a contract to offer a  
13 Medicare+Choice plan. In negotiating the new contract,  
14 the Secretary shall ensure that individuals enrolled under  
15 the risk-sharing contract are not adversely affected by the  
16 new contract.

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