

106TH CONGRESS
1ST SESSION

H. R. 3284

To amend part C of title XVIII to provide for an improved methodology for the calculation of Medicare+Choice payment rates.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1999

Mr. PALLONE 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

A BILL

To amend part C of title XVIII to provide for an improved methodology for the calculation of Medicare+Choice payment rates.

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 Beneficiaries’
5 Choice Protection Act of 1999”.

1 **SEC. 2. ESTABLISHMENT OF PAYMENT FLOOR FOR**
2 **MEDICARE+CHOICE PAYMENT RATES AFTER**
3 **APPLYING RISK-ADJUSTMENT METHOD-**
4 **LOGY.**

5 (a) IN GENERAL.—Section 1853(c)(1) of the Social
6 Security Act (42 U.S.C. 1395w-23(c)(1)) is amended—

7 (1) in the matter preceding subparagraph (A),
8 by striking “or (C)” and inserting “(C), or (D)”;
9 and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(D) DEMOGRAPHICALLY ADJUSTED FEE-
13 FOR-SERVICE PER CAPITA EXPENDITURES.—

14 “(i) IN GENERAL.—For 2001 and
15 each subsequent year, 94 percent of the
16 adjusted average per capita cost for the
17 year for the Medicare+Choice payment
18 area determined by the Secretary based
19 upon the rule specified under paragraph
20 (4) of section 1876(a) and calculated with-
21 out regard to the adjustment under para-
22 graph (1)(C) of such section.

23 “(ii) SPECIAL RULE FOR RISK AD-
24 JUSTMENT.—For purposes of applying risk
25 adjustment to the payment amount deter-
26 mined under this subparagraph for a de-

1 mographic class, the risk adjustment for
2 such demographic class shall be deter-
3 mined under the methodology applied by
4 the Secretary under section 1876(a)(4)
5 without regard to subsection (a)(3) of this
6 section.”.

7 (b) CONTINUATION OF COMPUTATION OF AAPCC
8 DATA.—Section 1853(b) of such Act (42 U.S.C. 1395w-
9 23(b)) is amended by adding at the end the following new
10 paragraph:

11 “(4) CONTINUED COMPUTATION AND PUBLICA-
12 TION OF COUNTY-SPECIFIC PER CAPITA FEE-FOR-
13 SERVICE EXPENDITURE INFORMATION.—Using the
14 most recent data available, the Secretary shall pro-
15 vide for the computation and publication, on an an-
16 nual basis at the time of publication of the annual
17 Medicare+Choice capitation rates, of information on
18 the level of the average annual per capita costs (de-
19 scribed in section 1876(a)(4)) for each
20 Medicare+Choice payment area.”.

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