

106TH CONGRESS
2^D SESSION

H. R. 4753

To establish a demonstration project to create Medicare Consumer Coalitions to provide Medicare beneficiaries with accurate and understandable information with respect to managed care health benefits under the Medicare Program and to negotiate with Medicare+Choice organizations offering Medicare+Choice plans to improve and expand benefits under the plans.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2000

Mrs. KELLY 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 establish a demonstration project to create Medicare Consumer Coalitions to provide Medicare beneficiaries with accurate and understandable information with respect to managed care health benefits under the Medicare Program and to negotiate with Medicare+Choice organizations offering Medicare+Choice plans to improve and expand benefits under the plans.

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. SHORT TITLE.**

2 This Act may be cited as the “Seniors Health Care
3 Empowerment Act of 2000”.

4 **SEC. 2. MEDICARE CONSUMER COALITION DEMONSTRATION PROJECTS.**

6 (a) ESTABLISHMENT OF PROJECTS.—The Secretary
7 of Health and Human Services (hereinafter in this section
8 referred to as the “Secretary”) shall establish demonstra-
9 tion projects (hereinafter in this section referred to as the
10 “projects”) under which a Medicare Consumer Coalition
11 (hereinafter in this section referred to as an “MCC”) is
12 formed to carry out the following functions:

13 (1) To conduct programs to prepare, make
14 available, and disseminate to Medicare beneficiaries
15 comprehensive and understandable information (de-
16 scribed in subsection (f)) with respect to enrollment
17 in the following:

18 (A) A Medicare+Choice plan, as defined in
19 subsection (j)(1).

20 (B) A medigap plan, as defined in sub-
21 section (j)(2).

22 (2) For the purpose of improving benefits and
23 reducing premiums for members of the MCC, to ne-
24 gotiate with Medicare+Choice plans and, to the ex-
25 tent practicable, medigap plans.

1 (b) MCC DESCRIBED.—For purposes of this section,
2 an MCC is a legal entity that meets the following require-
3 ments:

4 (1) ORGANIZATION AND OPERATION.—The enti-
5 ty is a nonprofit organization that is—

6 (A) organized and maintained in good
7 faith, with a constitution and bylaws specifically
8 stating its purpose and providing for periodic
9 meetings on at least an annual basis,

10 (B) established as a permanent entity
11 which receives the active support of its mem-
12 bers and, subject to paragraph (3), collects
13 from its members on a periodic basis dues or
14 payments necessary to maintain eligibility for
15 membership in the sponsor, and

16 (C) is operated under the direction of a
17 board of directors the members of which are
18 Medicare beneficiaries, such board comprised of
19 a majority of such beneficiaries who live in the
20 Medicare market area designated under sub-
21 section (c) in which the MCC carries out its
22 functions and providers of services.

23 (2) OPEN MEMBERSHIP.—The entity makes all
24 Medicare beneficiaries who live in the Medicare mar-
25 ket area eligible to enroll in the MCC.

1 (3) FEES.—

2 (A) IN GENERAL.—Subject to subpara-
3 graph (B), the entity may charge Medicare
4 beneficiaries a nominal enrollment fee, in no
5 case to exceed \$25.

6 (B) EXCEPTION.—No enrollment fee may
7 be charged in the case of the following qualified
8 Medicare beneficiaries:

9 (i) Individuals described in section
10 1905(p)(1) of the Social Security Act (42
11 U.S.C. 1396d(p)(1)) (QMBs).

12 (ii) Individuals described in section
13 1902(a)(10)(E)(iii) of such Act (42 U.S.C.
14 1396a(a)(10)(E)(iii)) (specified low-income
15 Medicare beneficiaries (SLMBs)).

16 (iii) Individuals described in section
17 1902(a)(10)(E)(iv) of such Act (42 U.S.C.
18 1396a(a)(10)(E)(iv)) (qualifying individ-
19 uals (QIs)).

20 (4) AUTHORITY TO ENTER INTO CONTRACTS TO
21 CARRY OUT ADMINISTRATIVE FUNCTIONS.—The en-
22 tity may enter into contracts with private agencies
23 or persons to carry out administrative functions of
24 the entity.

1 (c) DESIGNATION OF MEDICARE MARKET AREAS
2 COVERED BY PROJECTS.—

3 (1) IN GENERAL.—The Secretary shall des-
4 ignate areas in which the project under this section
5 is conducted as Medicare market areas.

6 (2) DESIGNATION OF 6 AREAS.—

7 (A) IN GENERAL.—The Secretary, con-
8 sistent with subparagraph (B), shall designate
9 6 specific areas as Medicare market areas. Such
10 designations shall be made in a manner so as
11 to ensure that enrollment under the projects
12 will begin on January 1, 2002.

13 (B) MINIMUM AREA.—A Medicare market
14 area shall be comprised of at least one entire
15 county or equivalent area (as determined by the
16 Secretary). In the case of an MCC that serves
17 more than one State, such equivalent area may
18 be include areas in two or more contiguous
19 States.

20 (d) PROJECT IMPLEMENTATION.—For each Medicare
21 market area, the Secretary shall—

22 (1) develop and disseminate a request for pro-
23 posals for the establishment of MCCs in the 6 des-
24 ignated Medicare market areas, and

1 (2) structure the method for selecting a coal-
2 tion in such area, with a preference for broad par-
3 ticipation by nonprofit community organizations
4 with experience representing and providing informa-
5 tion to Medicare beneficiaries in the area.

6 (e) MONITORING AND REPORT.—

7 (1) MONITORING.—The Secretary shall closely
8 monitor and analyze the impact of the project in the
9 Medicare market areas on the price and quality of,
10 and access to, Medicare covered services, choice of
11 Medicare+Choice plans and medigap plans, changes
12 in enrollment, and other relevant factors.

13 (2) REPORT.—Not later than December 31,
14 2005, the Secretary shall submit to Congress a re-
15 port on the progress under the project under this
16 section, including a comparison of the matters mon-
17 itored under paragraph (1) and subsection (g)(4)
18 among the different Medicare market areas. The re-
19 port may include any legislative recommendations
20 for extending the project to all Medicare bene-
21 ficiaries.

22 (f) INFORMATION.—

23 (1) CONTENTS.—The information described in
24 subsection (a)(1) shall include at least a comparison
25 of contracts and policies available under

1 Medicare+Choice plans and medigap plans, includ-
2 ing a comparison of the benefits, quality and per-
3 formance, costs to enrollees, results of consumer sat-
4 isfaction surveys on such contracts and policies, and
5 such additional information as the Secretary may
6 prescribe.

7 (2) INFORMATION STANDARDS.—The Secretary
8 shall develop standards and criteria to ensure that
9 the information provided to Medicare beneficiaries
10 under the projects is complete, accurate, and uni-
11 form.

12 (3) REVIEW OF INFORMATION.—The Secretary
13 may prescribe the procedures and conditions under
14 which an MCC may furnish information to Medicare
15 beneficiaries. Such information shall be submitted to
16 the Secretary not later than 45 days before the date
17 the information is first furnished to such bene-
18 ficiaries.

19 (4) CONSULTATION.—

20 (A) ADVISORY GROUPS.—In order to pro-
21 vide the information described in subsection
22 (a)(1), an MCC shall consult with an advisory
23 group. Each advisory group shall be comprised
24 of members who are representatives of each of
25 the persons described in subparagraph (B) who

1 are located in or offering services in the Medi-
2 care market area.

3 (B) PERSONS DESCRIBED.—The persons
4 referred to in subparagraph (A) are private in-
5 surers, managed care plan providers, other
6 health care providers, and public and private
7 purchasers of health care benefits.

8 (C) PROHIBITION OF COMPENSATION.—
9 Members of an advisory group established
10 under this paragraph may not receive additional
11 pay, allowances, or benefits by reason of their
12 service on the advisory group.

13 (g) GROUP PURCHASING.—

14 (1) IN GENERAL.—For purposes of carrying out
15 the objectives described in subsection (a)(2), the
16 Secretary shall provide authority and establish meth-
17 ods for an MCC to negotiate with Medicare+Choice
18 plans and medigap plans to provide coalition mem-
19 bers with any or all of the following:

20 (A) Enhanced benefits.

21 (B) Lower premiums.

22 (C) Lower cost-sharing.

23 (2) MULTIYEAR CONTRACTS.—

24 (A) IN GENERAL.—Contracts entered into
25 with Medicare+Choice plans and medigap plans

1 under the projects shall be for periods of not
2 less than one and not more than three years.

3 (B) PROVISIONS FOR OPEN ENROLLMENT
4 AND DISENROLLMENT.—Any contract entered
5 into under subparagraph (A) shall include pro-
6 visions for annual open enrollment and
7 disenrollment, and, in the case of disenrollment,
8 provisions for reenrollment in other
9 Medicare+Choice plans or a medigap plan
10 under which the Medicare beneficiary was pre-
11 viously enrolled.

12 (C) PAYMENT DIFFERENTIAL.—With re-
13 spect to different payment rates applicable to
14 Medicare+Choice plans under part C of title
15 XVIII of the Social Security Act for plans of-
16 fered in different regions in a Medicare market
17 area, an MCC may only enter into contracts
18 with such plans offered in regions within such
19 area in which such payments rates are the same
20 or similar.

21 (3) NO FINANCIAL UNDERWRITING.—An MCC
22 shall provide Medicare benefits coverage only
23 through Medicare+Choice plans and medigap plans,
24 as appropriate, and shall not assume insurance risk
25 with respect to such coverage.

1 (4) MINIMUM COVERAGE.—An MCC may not
2 contract for health care coverage for members of the
3 coalition unless that coverage provides, at a min-
4 imum, the same items and services as what is avail-
5 able to Medicare beneficiaries enrolled in the fee-for-
6 service program under parts A and B of title XVIII
7 of the Social Security Act.

8 (5) CONTRACTS.—An MCC may enter into con-
9 tracts with other organizations, including pharmacy
10 benefit managers, to assist in carrying out the func-
11 tions described in subsection (a)(2).

12 (6) OVERSIGHT.—The Secretary may monitor
13 and approve contracts between an MCC and
14 Medicare+Choice plans and medigap plans to ensure
15 compliance with relevant consumer protections and
16 regulations applicable under title XVIII of the Social
17 Security Act.

18 (h) WAIVER AUTHORITY.—The Secretary may waive
19 such requirements of title XVIII of the Social Security Act
20 as may be necessary for the purposes of carrying out the
21 project.

22 (i) DEFINITIONS.—In this section:

23 (1) The term “Medicare+Choice plan” means a
24 Medicare+Choice plan offered by a
25 Medicare+Choice organization under part C of title

1 XVIII of the Social Security Act (42 U.S.C. 1395w–
2 21 et seq.).

3 (2) The term “medigap plan” means a Medi-
4 care supplemental policy certified by the Secretary
5 under section 1882 of the Social Security Act (42
6 U.S.C. 1395ss).

7 (3) The term “Medicare beneficiary” means an
8 individual entitled to benefits under parts A, B, or
9 C of title XVIII of the Social Security Act.

10 (4) The terms “Medicare+Choice organization”
11 and “Medicare+Choice plan” have the meaning
12 given those terms under subsections (a)(1) and
13 (b)(1), respectively, of section 1859 of the Social Se-
14 curity Act (42 U.S.C. 1395w–29).

15 (5) The term “Medicare market area” means
16 an area designated by the Secretary under sub-
17 section (c) in which an MCC shall carry out its func-
18 tions under the project.

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