

106TH CONGRESS
2D SESSION

H. R. 5039

To amend part C of title XVIII of the Social Security Act to revise and improve the Medicare+Choice Program.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Mr. HAYWORTH 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 of the Social Security Act to revise and improve the Medicare+Choice 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Medicare Choice Preservation Act of 2000”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVEMENTS IN PAYMENTS

1 **SEC. 102. INCREASING MINIMUM PAYMENT AMOUNT.**

2 (a) IN GENERAL.—Section 1853(c)(1)(B)(ii) of the
3 Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is
4 amended—

5 (1) by striking “(ii) For a succeeding year” and
6 inserting “(ii)(I) Subject to subclause (II), for a suc-
7 ceeding year”; and

8 (2) by adding at the end the following new sub-
9 clause:

10 “(II) For 2001 for any of the 50
11 States and the District of Columbia,
12 \$475.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) apply to years beginning with 2001.

15 **SEC. 103. ALLOWING MOVEMENT TO 50:50 PERCENT BLEND**
16 **IN 2002.**

17 Section 1853(c)(2) of the Social Security Act (42
18 U.S.C. 1395w–23(c)(2)) is amended—

19 (1) by striking the period at the end of sub-
20 paragraph (F) and inserting a semicolon; and

21 (2) by adding after and below subparagraph
22 (F) the following:

23 “except that a Medicare+Choice organization may
24 elect to apply subparagraph (F) (rather than sub-
25 paragraph (E)) for 2002.”.

1 **SEC. 104. INCREASING THE MINIMUM PERCENTAGE IN-**
2 **CREASE IN 2001.**

3 Section 1853(c)(1)(C) of the Social Security Act (42
4 U.S.C. 1395w-23(c)(1)(C)) is amended—

5 (1) in clause (i) by striking “For 1998” and in-
6 serting “For 1998, 1999, and 2000”; and

7 (2) in clause (ii) by striking “102” and insert-
8 ing “104”.

9 **SEC. 105. INCREASED UPDATE FOR PAYMENT AREAS WITH**
10 **ONLY ONE OR NO MEDICARE+CHOICE CON-**
11 **TRACTS.**

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

15 (1) by striking “(ii) For a subsequent year”
16 and inserting “(ii)(I) Subject to subclause (II), for
17 a subsequent year”; and

18 (2) by adding at the end the following new sub-
19 clause:

20 “(II) During 2002, 2003, 2004, and
21 2005, in the case of a Medicare+Choice
22 payment area in which there is no more
23 than one contract entered into under this
24 part as of July 1 before the beginning of
25 the year, 104.5 percent of the annual
26 Medicare+Choice capitation rate under

1 this paragraph for the area for the pre-
2 vious year.”.

3 (b) CONSTRUCTION.—The amendments made by sub-
4 section (a) do not affect the payment of a first-time bonus
5 under section 1853(i) of the Social Security Act (42
6 U.S.C. 1395w–23(i)).

7 **SEC. 106. ELIMINATION OF BUDGET NEUTRALITY ADJUST-**
8 **MENT FOR 2001 AND 2002.**

9 Section 1853(c) of the Social Security Act (42 U.S.C.
10 1395w–23(c)) is amended—

11 (1) in paragraph (1)(A) in the matter following
12 clause (ii), by inserting “for a year (other than 2001
13 or 2002)” after “multiplied”; and

14 (2) in paragraph (5), by inserting “(other than
15 2001 or 2002)” after “for each year”.

16 **SEC. 107. REVISING CALCULATION OF AREA-SPECIFIC**
17 **RATE.**

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

20 (1) by striking “for each year” and inserting
21 “for each year after 2000”; and

22 (2) by adding at the end the following: “Such
23 area-specific capitation rates shall be calculated
24 without regard to paragraphs (3)(B) and (3)(C).”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) apply with respect to years beginning on
3 or after January 1, 2001.

4 **SEC. 108. 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED**
5 **ON DATA FROM ALL SETTINGS.**

6 Section 1853(a)(3)(C)(ii) of the Social Security Act
7 (42 U.S.C. 1395w-23(c)(1)(C)(ii)) is amended—

8 (1) by striking the period at the end of sub-
9 clause (II) and inserting a semicolon; and

10 (2) by adding after and below subclause (II) the
11 following:

12 “and, beginning in 2004, insofar as such
13 risk adjustment is based on data from all
14 (or substantially all) settings, the method-
15 ology shall be phased in equal increments
16 over a 10 year period, beginning with 2004
17 or (if later) the first year in which such
18 data is used.”.

1 **TITLE II—ADDITIONAL**
2 **IMPROVEMENTS**

3 **SEC. 201. DELAY FROM JULY TO NOVEMBER, 15, 2000, IN**
4 **DEADLINE FOR OFFERING AND WITH-**
5 **DRAWING MEDICARE+CHOICE PLANS FOR**
6 **2001.**

7 Notwithstanding any other provision of law, the dead-
8 line for a Medicare+Choice organization to withdraw the
9 offering of a Medicare+Choice plan under part C of title
10 XVIII of the Social Security Act (or otherwise to submit
11 information required for the offering of such a plan) for
12 2001 is delayed from July 1, 2000, to November 15, 2000,
13 and any such organization that provided notice of with-
14 drawal of such a plan during 2000 before the date of the
15 enactment of this Act may rescind such withdrawal at any
16 time before November 15, 2000.

17 **SEC. 202. MISCELLANEOUS REGULATORY CHANGES.**

18 (a) PROHIBITION ON REQUIREMENT TO SUBMIT EN-
19 COUNTER DATA.—Section 1853(a)(3)(B) of the Social Se-
20 curity Act (42 U.S.C. 1395w-23(a)(3)(B)) is amended—

21 (1) by designating the matter following “DATA
22 COLLECTION.—” as clause (i) with appropriate in-
23 dentation and the heading “IN GENERAL.—”; and

24 (2) by adding at the end the following new
25 clauses:

1 “(ii) ISSUANCE OF DATA SUBMISSION
2 REQUIREMENTS.—The Secretary may not
3 require under clause (i) the submission of
4 encounter data to support a risk adjust-
5 ment methodology based on all (or sub-
6 stantially all) settings until a reasonable
7 time after the Secretary issues the com-
8 plete requirements for data submission.
9 Such requirements shall be limited to the
10 minimum data elements necessary to sup-
11 port the risk adjustment methodology.
12 Such system shall be designed to accept
13 the required minimum data elements in a
14 form and manner compatible with
15 Medicare+Choice organizations’ oper-
16 ations.

17 “(iii) EVALUATION.—In issuing such
18 data submission requirements, the Sec-
19 retary must include an evaluation by an
20 outside, independent actuary of whether
21 the proposed data elements are the min-
22 imum necessary to support the risk adjust-
23 ment methodology.”.

24 (b) POST-STABILIZATION GUIDELINES.—Section
25 1852(d)(2) of such Act (42 U.S.C. 1395w–22(d)(2)) is

1 amended by adding at the end the following: “In pre-
2 scribing such guidelines—

3 “(A) post-stabilization care shall be limited
4 to care related to treatment of the condition
5 that precipitated the provision of emergency
6 services; and

7 “(B) the provider of emergency services is
8 not authorized to provide post-stabilization care
9 unless—

10 “(i) the Medicare+Choice organiza-
11 tion has been notified as soon as prac-
12 ticable, but not later than 2 hours after
13 stabilization, in advance of the request to
14 provide such care;

15 “(ii) the organization has either ap-
16 proved the request or not responded to
17 such request within a reasonable period (of
18 at least 3 hours) after it has been notified;
19 and

20 “(iii) the emergency services provider
21 maintains a written documentation con-
22 cerning the notice and the organization’s
23 response to such notice.”.

1 **SEC. 203. EFFECTIVENESS OF ELECTIONS AND CHANGES**
2 **OF ELECTIONS.**

3 (a) IN GENERAL.—Section 1851(f)(2) of the Social
4 Security Act (42 U.S.C. 1395w–21(f)(2)) is amended by
5 striking “made,” and all that follows and inserting
6 “made.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies with respect to years beginning on
9 or after on January 1, 2001.

10 **SEC. 204. UNIFORM PREMIUM AND BENEFITS.**

11 (a) IN GENERAL.—Subsections (c) and (f)(1)(D) of
12 section 1854 of the Social Security Act (42 U.S.C.
13 1395w–24) are each amended by inserting before the pe-
14 riod at the end the following: “, except across counties
15 as approved by the Secretary”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) apply with respect to years beginning on
18 or after January 1, 2001.

19 **SEC. 205. MEDICARE+CHOICE PROGRAM COMPATIBILITY**
20 **WITH EMPLOYER OR UNION GROUP HEALTH**
21 **PLANS.**

22 (a) IN GENERAL.—Section 1857 of the Social Secu-
23 rity Act (42 U.S.C. 1395w–27) is amended by adding at
24 the end the following new subsection:

25 “(i) M+C PROGRAM COMPATIBILITY WITH EM-
26 PLOYER OR UNION GROUP HEALTH PLANS.—To facilitate

1 the offering of Medicare+Choice plans under contracts be-
2 tween Medicare+Choice organizations and employers,
3 labor organizations, or the trustees of a fund established
4 by 1 or more employers or labor organizations (or com-
5 bination thereof) to furnish benefits to the entity's employ-
6 ees, former employees (or combination thereof) or mem-
7 bers or former members (or combination thereof) of the
8 labor organizations, the Secretary shall waive or modify
9 requirements that hinder the design of, the offering of,
10 or the enrollment in such Medicare+Choice plans.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) applies with respect to years beginning on
13 or after January 1, 2001.

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