

108TH CONGRESS
1ST SESSION

H. R. 2473

To amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2003

Mr. THOMAS (for himself and Mr. TAUZIN) introduced the following bill; which was referred jointly to the Committees on Energy and Commerce, and Ways and Means

A BILL

To amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes.

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; AMENDMENTS TO SOCIAL SECU-**
4 **RITY ACT; REFERENCES TO BIPA AND SEC-**
5 **RETARY; TABLE OF CONTENTS.**

6 (a) SHORT TITLE.—This Act may be cited as the
7 “Medicare Prescription Drug and Modernization Act of
8 2003”.

1 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-
 2 cept as otherwise specifically provided, whenever in this
 3 Act an amendment is expressed in terms of an amendment
 4 to or repeal of a section or other provision, the reference
 5 shall be considered to be made to that section or other
 6 provision of the Social Security Act.

7 (c) BIPA; SECRETARY.—In this Act:

8 (1) BIPA.—The term “BIPA” means the
 9 Medicare, Medicaid, and SCHIP Benefits Improve-
 10 ment and Protection Act of 2000, as enacted into
 11 law by section 1(a)(6) of Public Law 106–554.

12 (2) SECRETARY.—The term “Secretary” means
 13 the Secretary of Health and Human Services.

14 (d) TABLE OF CONTENTS.—The table of contents of
 15 this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; references to BIPA and Secretary; table of contents.

TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT

Sec. 101. Establishment of a medicare prescription drug benefit.

“PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM

“Sec. 1860D–1. Benefits; eligibility; enrollment; and coverage period.

“Sec. 1860D–2. Requirements for qualified prescription drug coverage.

“Sec. 1860D–3. Beneficiary protections for qualified prescription drug coverage.

“Sec. 1860D–4. Requirements for and contracts with prescription drug plan (PDP) sponsors.

“Sec. 1860D–5. Process for beneficiaries to select qualified prescription drug coverage.

“Sec. 1860D–6. Submission of bids and premiums.

“Sec. 1860D–7. Premium and cost-sharing subsidies for low-income individuals.

“Sec. 1860D–8. Subsidies for all medicare beneficiaries for qualified prescription drug coverage.

“Sec. 1860D–9. Medicare Prescription Drug Trust Fund.

“Sec. 1860D–10. Definitions; application to medicare advantage and
 EFFE programs; treatment of references to provisions in
 part C.

Sec. 102. Offering of qualified prescription drug coverage under Medicare Ad-
 vantage and enhanced fee-for-service (EFFS) program.

Sec. 103. Medicaid amendments.

“Sec. 1935. Special provisions relating to medicare prescription drug ben-
 efit.

Sec. 104. Medigap transition.

Sec. 105. Medicare prescription drug discount card endorsement program.

Sec. 106. Disclosure of return information for purposes of carrying out medi-
 care catastrophic prescription drug program.

Sec. 107. State pharmaceutical assistance transition commission.

TITLE II—MEDICARE ENHANCED FEE-FOR-SERVICE AND MEDICARE ADVANTAGE PROGRAMS; MEDICARE COMPETITION

Sec. 200. Medicare modernization and revitalization.

Subtitle A—Medicare Enhanced Fee-for-Service Program

Sec. 201. Establishment of enhanced fee-for-service (EFFS) program under
 medicare.

“PART E—ENHANCED FEE-FOR-SERVICE PROGRAM

“Sec. 1860E–1. Offering of enhanced fee-for-service plans throughout the
 United States.

“Sec. 1860E–2. Offering of enhanced fee-for-service (EFFS) plans.

“Sec. 1860E–3. Submission of bids; beneficiary savings; payment of plans.

“Sec. 1860E–4. Premiums; organizational and financial requirements; es-
 tablishment of standards; contracts with EFFS organiza-
 tions.

Subtitle B—Medicare Advantage Program

CHAPTER 1—IMPLEMENTATION OF PROGRAM

Sec. 211. Implementation of medicare advantage program.

Sec. 212. Medicare advantage improvements.

CHAPTER 2—IMPLEMENTATION OF COMPETITION PROGRAM

Sec. 221. Competition program beginning in 2006.

CHAPTER 3—ADDITIONAL REFORMS

Sec. 231. Making permanent change in medicare advantage reporting deadlines
 and annual, coordinated election period.

Sec. 232. Avoiding duplicative State regulation.

Sec. 233. Specialized medicare advantage plans for special needs beneficiaries.

Sec. 234. Medicare MSAs.

Sec. 235. Extension of reasonable cost contracts.

Subtitle C—Application of FEHBP-Style Competitive Reforms

Sec. 241. Application of FEHBP-style competitive reform beginning in 2010.

TITLE III—COMBATTING WASTE, FRAUD, AND ABUSE

- Sec. 301. Medicare secondary payor (MSP) provisions.
- Sec. 302. Competitive acquisition of certain items and services.
- Sec. 303. Competitive acquisition of covered outpatient drugs and biologicals.
- Sec. 304. Demonstration project for use of recovery audit contractors.

TITLE IV—RURAL HEALTH CARE IMPROVEMENTS

- Sec. 401. Enhanced disproportionate share hospital (DSH) treatment for rural hospitals and urban hospitals with fewer than 100 beds.
- Sec. 402. Immediate establishment of uniform standardized amount in rural and small urban areas.
- Sec. 403. Establishment of essential rural hospital classification.
- Sec. 404. More frequent update in weights used in hospital market basket.
- Sec. 405. Improvements to critical access hospital program.
- Sec. 406. Redistribution of unused resident positions.
- Sec. 407. Two-year extension of hold harmless provisions for small rural hospitals and sole community hospitals under prospective payment system for hospital outpatient department services.
- Sec. 408. Exclusion of certain rural health clinic and federally qualified health center services from the prospective payment system for skilled nursing facilities.
- Sec. 409. Recognition of attending nurse practitioners as attending physicians to serve hospice patients.
- Sec. 410. Improvement in payments to retain emergency capacity for ambulance services in rural areas.
- Sec. 411. One-year increase for home health services furnished in a rural area.
- Sec. 412. Providing safe harbor for certain collaborative efforts that benefit medically underserved populations.
- Sec. 413. GAO study of geographic differences in payments for physicians' services.
- Sec. 414. Treatment of missing cost reporting periods for sole community hospitals.

TITLE V—PROVISIONS RELATING TO PART A

Subtitle A—Inpatient Hospital Services

- Sec. 501. Revision of acute care hospital payment updates.
- Sec. 502. Recognition of new medical technologies under inpatient hospital PPS.
- Sec. 503. Increase in Federal rate for hospitals in Puerto Rico.
- Sec. 504. Wage index adjustment reclassification reform .
- Sec. 505. MedPAC report on specialty hospitals.

Subtitle B—Other Provisions

- Sec. 511. Payment for covered skilled nursing facility services.
- Sec. 512. Coverage of hospice consultation services.

TITLE VI—PROVISIONS RELATING TO PART B

Subtitle A—Physicians' Services

- Sec. 601. Revision of updates for physicians' services.
- Sec. 602. Studies on access to physicians' services.
- Sec. 603. MedPAC report on payment for physicians' services.

Subtitle B—Preventive Services

- Sec. 611. Coverage of an initial preventive physical examination.
- Sec. 612. Coverage of cholesterol and blood lipid screening.
- Sec. 613. Waiver of deductible for colorectal cancer screening tests.
- Sec. 614. Improved payment for certain mammography services.

Subtitle C—Other Services

- Sec. 621. Hospital outpatient department (HOPD) payment reform.
- Sec. 622. Payment for ambulance services.
- Sec. 623. Renal dialysis services.
- Sec. 624. One-year moratorium on therapy caps; provisions relating to reports.
- Sec. 625. Adjustment to payments for services furnished in ambulatory surgical centers.
- Sec. 626. Payment for certain shoes and inserts under the fee schedule for orthotics and prosthetics.
- Sec. 627. Waiver of part B late enrollment penalty for certain military retirees; special enrollment period.
- Sec. 628. Part B deductible.

TITLE VII—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

- Sec. 701. Update in home health services.
- Sec. 702. Establishment of reduced copayment for a home health service episode of care for certain beneficiaries.
- Sec. 703. MedPAC study on medicare margins of home health agencies.

Subtitle B—Direct Graduate Medical Education

- Sec. 711. Extension of update limitation on high cost programs.

Subtitle C—Chronic Care Improvement

- Sec. 721. Voluntary chronic care improvement under traditional fee-for-service.
- Sec. 722. Chronic care improvement under medicare advantage and enhanced fee-for-service programs.
- Sec. 723. Institute of Medicine report.
- Sec. 724. MedPAC report.

Subtitle D—Other Provisions

- Sec. 731. Modifications to medicare payment advisory commission (MedPAC).
- Sec. 732. Demonstration project for medical adult day care services.
- Sec. 733. Improvements in national and local coverage determination process to respond to changes in technology.
- Sec. 734. Treatment of certain physician pathology services.

TITLE VIII—MEDICARE BENEFITS ADMINISTRATION

- Sec. 801. Establishment of Medicare Benefits Administration.

TITLE IX—REGULATORY REDUCTION AND CONTRACTING REFORM

Subtitle A—Regulatory Reform

Sec. 901. Construction; definition of supplier.

“Supplier

Sec. 902. Issuance of regulations.

Sec. 903. Compliance with changes in regulations and policies.

Sec. 904. Reports and studies relating to regulatory reform.

Subtitle B—Contracting Reform

Sec. 911. Increased flexibility in medicare administration.

Sec. 912. Requirements for information security for medicare administrative contractors.

Subtitle C—Education and Outreach

Sec. 921. Provider education and technical assistance.

“Sec. 1889. Provider education and technical assistance.

Sec. 922. Small provider technical assistance demonstration program.

Sec. 923. Medicare Provider Ombudsman; Medicare Beneficiary Ombudsman.

Sec. 924. Beneficiary outreach demonstration program.

Sec. 925. Inclusion of additional information in notices to beneficiaries about skilled nursing facility benefits.

Sec. 926. Information on medicare-certified skilled nursing facilities in hospital discharge plans.

Subtitle D—Appeals and Recovery

Sec. 931. Transfer of responsibility for medicare appeals.

Sec. 932. Process for expedited access to review.

Sec. 933. Revisions to medicare appeals process.

Sec. 934. Prepayment review.

Sec. 935. Recovery of overpayments.

Sec. 936. Provider enrollment process; right of appeal.

Sec. 937. Process for correction of minor errors and omissions without pursuing appeals process.

Sec. 938. Prior determination process for certain items and services; advance beneficiary notices.

Subtitle V—Miscellaneous Provisions

Sec. 941. Policy development regarding evaluation and management (E & M) documentation guidelines.

Sec. 942. Improvement in oversight of technology and coverage.

Sec. 943. Treatment of hospitals for certain services under medicare secondary payor (MSP) provisions.

Sec. 944. EMTALA improvements.

Sec. 945. Emergency Medical Treatment and Active Labor Act (EMTALA) technical advisory group.

Sec. 946. Authorizing use of arrangements to provide core hospice services in certain circumstances.

Sec. 947. Application of osha bloodborne pathogens standard to certain hospitals.

Sec. 948. BIPA-related technical amendments and corrections.

Sec. 949. Conforming authority to waive a program exclusion.

Sec. 950. Treatment of certain dental claims.

Sec. 951. Furnishing hospitals with information to compute DSH formula.