

107TH CONGRESS
1ST SESSION

H. R. 2127

To amend part C of title XVIII to require Medicare+Choice organizations to offer Medicare+Choice plans for a minimum period of three years, and to permit Medicare beneficiaries to enroll and disenroll from such plans at any time.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2001

Mr. BROWN of Ohio (for himself, Mr. STARK, Mr. LATOURETTE, Mr. GONZALEZ, Mr. KILDEE, and Mr. BRADY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 require Medicare+Choice organizations to offer Medicare+Choice plans for a minimum period of three years, and to permit Medicare beneficiaries to enroll and disenroll from such plans at any time.

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+Choice Ac-
5 countability Act of 2001”.

1 **SEC. 2. EXTENSION OF INITIAL MEDICARE+CHOICE CON-**
2 **TRACT PERIOD TO 3 YEARS.**

3 (a) REQUIREMENT FOR 3-YEAR CONTRACTS.—Sec-
4 tion 1857(c)(1) of the Social Security Act (42 U.S.C.
5 1395w-27(c)(1)) is amended—

6 (1) by redesignating the matter following the
7 heading as subparagraph (A) and inserting “IN
8 GENERAL.—” after “(A)”;

9 (2) in subparagraph (A), as so redesignated—
10 (A) by striking “a term of at least 1 year”
11 and inserting “an initial term of at least 3
12 years”; and

13 (B) by striking “from term to term” and
14 inserting “for additional 3-year periods there-
15 after”; and

16 (3) by adding at the end the following new sub-
17 paragraphs:

18 “(B) LIMITATION ON MODIFICATION OF
19 BENEFITS AND PREMIUMS DURING THE CON-
20 TRACT PERIOD.—A Medicare+Choice organiza-
21 tion under a contract with the Secretary under
22 this section may not modify premiums and ben-
23 efits under the Medicare+Choice plan offered
24 by the organization for the duration of that
25 contract unless the Secretary determines that

1 such modifications would increase the value of
2 the coverage under the plan.

3 “(C) PROHIBITION ON WITHDRAWING
4 FROM PARTS OF A SERVICE AREA.—A
5 Medicare+Choice organization under a contract
6 with the Secretary under this section may not
7 withdraw from any part of the service area in
8 which it offers a Medicare+Choice plan.”.

9 (b) PAYMENT AMOUNT.—Section 1853(c) of such Act
10 (42 U.S.C. 1395w–23(c)) is amended to read as follows:

11 “(c) CALCULATION OF ANNUAL MEDICARE+CHOICE
12 CAPITATION RATES.—

13 “(1) ADJUSTED AVERAGE PER CAPITA
14 AMOUNT.—For purposes of this part, subject to
15 paragraph (2), each annual Medicare+Choice capi-
16 tation rate, for a Medicare+Choice payment area for
17 a contract year consisting of a calendar year, is
18 equal to the Secretary’s estimate of the adjusted av-
19 erage per capita cost (as determined under section
20 1876(a)(4)) for the payment area and contract year.

21 “(2) EXCLUSION OF MEDICAL EDUCATION
22 COSTS.—In determining the amounts under para-
23 graph (1), the Secretary shall not take into account
24 payments attributable to—

1 “(A) graduate medical education payments
2 under section 1886(h);

3 “(B) disproportionate share hospital pay-
4 ments described in section 1886(d)(5)(F); or

5 “(C) indirect costs of medical education
6 described in section 1886(d)(5)(B).”.

7 (c) SERVICE AREAS REQUIREMENTS.—Section 1852
8 of such Act (42 U.S.C. 1395w–22) is amended by adding
9 at the end the following new subsection:

10 “(m) SERVICE AREAS.—

11 “(1) DESIGNATION BY SECRETARY.—Taking
12 into account factors such as commercial rating pat-
13 terns, the Secretary shall designate geographic areas
14 as service areas for purposes of this part. Such areas
15 may be portions of a State or an entire State.

16 “(2) PROHIBITION ON COUNTIES BEING IN
17 MULTIPLE SERVICE AREAS.—In no case may a coun-
18 ty or equivalent area, or portion thereof, be included
19 in more than one service area designated by the Sec-
20 retary under paragraph (1).”.

21 (d) BENEFITS.—

22 (1) REQUIREMENT FOR UNIFORM BENEFITS
23 FOR ALL ENROLLEES RESIDING IN THE SERVICE
24 AREA.—

1 (A) IN GENERAL.—Section 1852(a) of
2 such Act (42 U.S.C. 1395w-22(a)) is
3 amended—

4 (i)(I) in paragraph (2)(C), by striking
5 “may elect to” and inserting “shall”; and

6 (II) in the heading of such paragraph by
7 striking “ELECTION OF” and inserting “RE-
8 QUIREMENT FOR”; and

9 (ii) by adding at the end the following new
10 paragraph:

11 “(6) REQUIREMENT FOR UNIFORM BENEFITS
12 IN A SERVICE AREA.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), a Medicare+Choice plan shall pro-
15 vide the same benefits to all enrollees in a serv-
16 ice area (designated by the Secretary under
17 subsection (m)).

18 “(B) ADAPTION BY HEALTH MAINTENANCE ORGANIZATIONS.—In applying subpara-
19 graph (A) in the case of a plan that is a health
20 maintenance organization, if limitations in pro-
21 vider contracts prevent the plan from maintain-
22 ing the provider contracts in certain parts of a
23 service area, the plan may establish a preferred
24 provider network or fee-for-service plan in those
25

parts of the service area, but only if the cost-sharing applicable to such a network or plan is not established in a manner that discourages enrollment of residents in those parts of the service area.”.

(B) CONFORMING REPEAL OF AUTHORITY TO USE OF SEGMENTS OF SERVICE AREAS.—Section 1854 of such Act (42 U.S.C. 1395w–24) is amended by striking subsection (h).

(2) NO REQUIREMENT FOR SUPPLEMENTAL BENEFITS.—

(A) IN GENERAL.—Section 1854(f) of such Act (42 U.S.C. 1395w–24(f)) is amended by adding at the end the following new paragraph:

“(5) APPLICATION OF PROVISION.—The provisions of this subsection shall not apply for any year with respect to which a Medicare+Choice organization has entered into a 3-year contract with the Secretary under section 1857(c)(1).”.

(B) CONFORMING AMENDMENT.—Section 1852(a)(1)(B) of such Act (42 U.S.C. 1395w–22(a)(1)(B)) is amended by inserting before the period the following: “for any year with respect to which a Medicare+Choice organization has

1 entered into a 3-year contract with the Sec-
 2 retary under section 1857(c)(1)”.

3 (e) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to contracts entered into on or
 5 after January 1, 2002.

6 **SEC. 3. CONTINUOUS OPEN ENROLLMENT AND**
 7 **DISENROLLMENT.**

8 (a) IN GENERAL.—Section 1851(e)(2) of the Social
 9 Security Act (42 U.S.C. 1395w–21(e)(2)) is amended to
 10 read as follows:

11 “(2) CONTINUOUS OPEN ENROLLMENT AND
 12 DISENROLLMENT.—Subject to paragraph (5), a
 13 Medicare+Choice eligible individual may change the
 14 election under subsection (a)(1) at any time.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) MEDICARE+CHOICE.—Section 1851(e) of
 17 such Act (42 U.S.C. 1395w–21(e)) is amended—

18 (A) in paragraph (4)—

19 (i) by striking “Effective as of Janu-
 20 ary 1, 2002, an” and inserting “An”;

21 (ii) by striking “other than during an
 22 annual, coordinated election period”;

23 (iii) by inserting “in a special election
 24 period for such purpose” after “make a
 25 new election under this section”; and

1 (iv) by striking the second sentence;

2 and

3 (B) in paragraphs (5)(B) and (6)(A), by
4 striking “the first sentence of”.

5 (2) PERMITTING REENROLLMENT IN MEDIGAP
6 WHEN M+C PLANS REDUCE BENEFITS.—

7 (A) IN GENERAL.—Clause (ii) of section
8 1882(s)(3)(B) of such Act (42 U.S.C.
9 1395ss(s)(3)(B)) is amended—

10 (i) by striking “under the first sen-
11 tence of” each place it appears and insert-
12 ing “during a special election period pro-
13 vided for under”; and

14 (ii) by inserting “(including a reduc-
15 tion in benefits offered under a
16 Medicare+Choice plan from year to year)”
17 after “section 1851(e)(4)”.

18 (B) CONFORMING AMENDMENT.—Clause
19 (iii) of such section is amended—

20 (i) by striking “under the first sen-
21 tence of” and inserting “during a special
22 election period provided for under”; and

23 (ii) by inserting “(including a reduc-
24 tion in benefits offered under a

1 Medicare+Choice plan from year to year)”
2 after “section 1851(e)(4)”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to plan years begin-
5 ning on or after January 1, 2002.

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