H. R. 6583

To amend title XVIII of the Social Security Act to establish a risk corridor program for Medicare Advantage plans during the COVID–19 emergency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2020

Ms. HOULAHAN (for herself and Mr. LARSON of Connecticut) 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 title XVIII of the Social Security Act to establish a risk corridor program for Medicare Advantage plans during the COVID–19 emergency, 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,
SECTION 1. ESTABLISHING A RISK CORRIDOR PROGRAM

FOR MEDICARE ADVANTAGE PLANS DURING

THE COVID–19 EMERGENCY.

(a) IN GENERAL.—Section 1853 of the Social Secu-

rity Act (42 U.S.C. 1395w–23) is amended by adding at

the end the following new subsection:

“(p) RISK CORRIDOR PROGRAM DURING THE

COVID–19 EMERGENCY.—

“(1) IN GENERAL.—The Secretary shall estab-

lish and administer a program of risk corridors for

each plan year, any portion of which occurs during

the emergency period defined in section

1135(g)(1)(B), under which the Secretary shall

make payments to MA organizations offering a

Medicare Advantage plan based on the ratio of the

allowable costs of the plan to the aggregate pre-
miums of the plan.

“(2) PAYMENT METHODOLOGY.—The Secretary

shall provide under the program established under

paragraph (1) that if the allowable costs for a Medi-
care Advantage plan for any plan year are more

than 105 percent of the target amount, the Sec-

retary shall pay to the plan an amount equal to 75

percent of the allowable costs in excess of 105 per-
cent of the target amount.

“(3) TIMING.—
“(A) Submission of information by plans.—With respect to a plan year for which the program described in paragraph (1) is established and administered, not later than July 1 of the succeeding plan year each MA organization offering a Medicare Advantage plan shall submit to the Secretary such information as the Secretary may require for purposes of carrying out such program.

“(B) Payment.—The Secretary shall pay to an MA organization offering a Medicare Advantage plan eligible to receive a payment under the program with respect to a plan year the amount provided under paragraph (2) for such plan year not later than 60 days after such organization submits information with respect to such plan and plan year under subparagraph (A).

“(4) Definitions.—

“(A) Allowable costs.—The term ‘allowable costs’ means, with respect to an MA organization offering a Medicare Advantage plan for a plan year, an amount equal to the total costs (other than administrative costs) of such plan in providing benefits covered by such plan,
but only to the extent that such costs are in-
curred with respect to such benefits for items
and services that are benefits under the original
medicare fee-for-service program option.

“(B) TARGET AMOUNT.—The term ‘target
amount’ means, with respect to an MA organi-
zation offering a Medicare Advantage plan for
a plan year, the total amount of payments paid
to the MA organization for the plan for benefits
under the original medicare fee-for-service pro-
gram option for the plan year, taking into ac-
count amounts paid by the Secretary and en-
rollees, based upon the bid amount submitted
under section 1854, reduced by the total
amount of administrative expenses for the year
assumed in such bid.

“(5) FUNDING.—There are appropriated to the
Centers for Medicare & Medicaid Services Program
Management Account, out of any monies in the
Treasury not otherwise obligated, such sums as may
be necessary for purposes of carrying out this sub-
section.”.

(b) IMPLEMENTATION.—Notwithstanding any other
 provision of law, the Secretary of Health and Human
1 Services may implement the amendments made by this section by program instruction or otherwise.