

105TH CONGRESS
2D SESSION

H. R. 4674

To amend part C of title XVIII of the Social Security Act to prohibit Medicare+Choice organizations from arbitrarily limiting coverage of medically necessary services under Medicare+Choice plans.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1998

Mr. STARK (for himself and Mr. KLECZKA) 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 prohibit Medicare+Choice organizations from arbitrarily limiting coverage of medically necessary services under Medicare+Choice plans.

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
5 Medical Necessity Protection Act of 1998”.

1 **SEC. 2. PROHIBITING ARBITRARY LIMITATIONS OR CONDI-**
2 **TIONS FOR THE PROVISION OF SERVICES**
3 **UNDER MEDICARE+CHOICE PLANS.**

4 (a) IN GENERAL.—Section 1852 of the Social Secu-
5 rity Act (42 U.S.C. 1395w–22) is amended by adding at
6 the end the following new subsection:

7 “(1) PROHIBITING ARBITRARY LIMITATIONS OR CON-
8 DITIONS FOR THE PROVISION OF SERVICES.—

9 “(1) IN GENERAL.—A Medicare+Choice orga-
10 nization, may not arbitrarily interfere with or alter
11 the decision of the treating physician regarding the
12 manner or setting in which particular services are
13 delivered to an enrollee under a Medicare+Choice
14 plan if the services are medically necessary or appro-
15 priate for treatment or diagnosis to the extent that
16 such treatment or diagnosis is otherwise a covered
17 benefit.

18 “(2) CONSTRUCTION.—Paragraph (1) shall not
19 be construed as prohibiting a Medicare+Choice or-
20 ganization from limiting the delivery of services to
21 one or more health care providers within a network
22 of such providers.

23 “(3) MANNER OR SETTING DEFINED.—In para-
24 graph (1), the term ‘manner or setting’ means the
25 location of treatment, such as whether treatment is
26 provided on an inpatient or outpatient basis, and the

1 duration of treatment, such as the number of days
2 in a hospital. Such term does not include the cov-
3 erage of a particular service or treatment.

4 “(4) NO CHANGE IN COVERAGE.—Paragraph
5 (1) shall not be construed as requiring coverage of
6 particular services the coverage of which is otherwise
7 not covered under the terms of the Medicare+Choice
8 plan or from conducting utilization review activities
9 consistent with this subsection.

10 “(5) MEDICAL NECESSITY OR APPROPRIATE-
11 NESS DEFINED.—In paragraph (1), the term ‘medi-
12 cally necessary or appropriate’ means, with respect
13 to a service or benefit, a service or benefit which is
14 consistent with generally accepted principles of pro-
15 fessional medical practice.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) applies as of January 1, 1999, to contracts
18 with Medicare+Choice organizations entered into (or re-
19 newed) under section 1857 of the Social Security Act be-
20 fore, on, or after such date.

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