

106TH CONGRESS  
1ST SESSION

# H. R. 1088

To amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare+Choice organizations and to accelerate the transition to the 50:50 blended rate in 2000.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. GILCHREST 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

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## A BILL

To amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare Choice organizations and to accelerate the transition to the 50:50 blended rate in 2000.

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 Pay-  
5       ment Fairness Act of 1999”.

1 **SEC. 2. ELIMINATION OF BUDGET NEUTRALITY ADJUST-**  
 2 **MENT FACTOR IN CALCULATING THE BLEND-**  
 3 **ED CAPITATION RATE FOR**  
 4 **MEDICARE+CHOICE ORGANIZATIONS.**

5 (a) IN GENERAL.—Section 1853(c) of the Social Se-  
 6 curity Act (42 U.S.C. 1395w–23(c)) is amended—

7 (1) in paragraph (1)(A), by striking the comma  
 8 at the end of clause (ii) and all that follows before  
 9 the period at the end; and

10 (2) by striking paragraph (5) and redesignating  
 11 paragraphs (6) and (7) as paragraphs (5) and (6)  
 12 respectively.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 1853(c) of the Social Security Act  
 15 (42 U.S.C. 1395w–23(c)) is amended—

16 (A) in paragraph (1) in the matter pro-  
 17 ceeding subparagraph (A), by striking “(6)(C)  
 18 and (7)” and inserting “(5)(C) and (6)”; and

19 (B) in paragraphs (1)(B)(ii) and (3)(A)(i),  
 20 by striking “(6)(A)” and inserting “(5)(A)”.

21 (2) Subsections (b)(3)(B)(ii) and (c)(3) of sec-  
 22 tion 1859 of such Act (42 U.S.C. 1395w–29) are  
 23 each amended by striking “1853(c)(6).” and insert-  
 24 ing “1853(c)(5).”

25 (c) SUBMISSION TO CONGRESS.—Not later than 20  
 26 days after the date of the enactment of this Act, the Sec-

1   retary of Health and Human Services shall submit to Con-  
 2   gress a legislative proposal that provides for aggregate de-  
 3   creases in Federal expenditures under the Medicare pro-  
 4   gram under title XVIII of the Social Security Act (42  
 5   U.S.C. 1395 et seq.) that are equal to the aggregate in-  
 6   creases in such expenditures under such program resulting  
 7   from the amendments made by subsections (a) and (b).

8       (d) **EFFECTIVE DATE.**—The amendments made by  
 9   this section shall apply to payments made for periods be-  
 10   ginning on or after January 1, 2000.

11   **SEC. 3. ACCELERATING TRANSITION TO 50:50 BLEND IN**  
 12                                   **2000.**

13       Section 1853(c)(2) of the Social Security Act (42  
 14   U.S.C. 1395w-23(c)(2)) is amended—

15           (1) by adding “and” at the end of subpara-  
 16   graph (B); and

17           (2) by striking subparagraphs (C) through (F)  
 18   and inserting the following:

19                   “(F) for a year after 1999, the ‘area-spe-  
 20           cific percentage’ is 50 percent and the ‘national  
 21           percentage’ is 50 percent.”.

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