

106TH CONGRESS
1ST SESSION

H. R. 2419

To amend title XVIII of the Social Security Act to reflect original Congressional intent by requiring that the new risk adjustment methodology for Medicare+Choice payment rates be implemented in a budget neutral manner, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1999

Mr. BILIRAKIS (for himself, Mr. DEUTSCH, Mr. LATOURETTE, Mr. TAUZIN, Ms. BROWN of Florida, Mr. GREENWOOD, Mr. TOWNS, Mr. MCCOLLUM, Mr. CANADY of Florida, Mr. GILCHREST, Mr. KOLBE, Mr. BASS, Mrs. FOWLER, Mr. WALDEN of Oregon, and Mr. STEARNS) 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 title XVIII of the Social Security Act to reflect original Congressional intent by requiring that the new risk adjustment methodology for Medicare+Choice payment rates be implemented in a budget neutral manner, 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,*

1 **SECTION 1. SHORT TITLE; FINDINGS AND PURPOSE.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Medicare+Choice Risk Adjustment Amendments of
4 1999”.

5 (b) FINDINGS.—Congress finds as follows:

6 (1) The enactment of the Balanced Budget Act
7 of 1997 provided for development and implementa-
8 tion of a new, more sophisticated risk adjustment
9 methodology under the Medicare+Choice program,
10 to assure a better match between payment rates for
11 individuals with different risks enrolled in
12 Medicare+Choice plans. This was in addition to
13 changes in the underlying payment system that was
14 designed to provide for savings to the medicare pro-
15 gram.

16 (2) The Congressional Budget Office did not es-
17 timate that this new risk adjustment system would
18 change the overall payment levels for such plans or
19 the participation of such plans in the
20 Medicare+Choice program.

21 (3) The Health Care Financing Administration
22 has proposed implementation of a new risk adjust-
23 ment methodology that not only results in substan-
24 tial reductions in payments to Medicare+Choice
25 plans beyond those contemplated in the Balanced
26 Budget Act of 1997, but also would result in a de-

1 crease in the participation of such plans in the pro-
 2 gram, directly against the intent of Congress and
 3 the projections made at the time of the enactment
 4 of that Act.

5 (c) PURPOSE.—It is the purpose of section 2 of this
 6 Act to restore the original intent of Congress when it re-
 7 quired implementation of a new risk adjustment method-
 8 ology for Medicare+Choice payment rates by assuring
 9 that such methodology is established in a budget neutral
 10 manner that does not affect overall spending levels under
 11 the medicare program using the current risk adjustment
 12 methodology.

13 **SEC. 2. APPLICATION OF BUDGET NEUTRALITY PRINCIPLE**
 14 **TO THE NEW MEDICARE+CHOICE RISK AD-**
 15 **JUSTMENT METHODOLOGY.**

16 (a) IN GENERAL.—Section 1853(a)(3) of the Social
 17 Security Act (42 U.S.C. 1395w–23(a)(3)) is amended by
 18 adding at the end the following new subparagraph:

19 “(E) IMPLEMENTATION IN A BUDGET NEU-
 20 TRAL MANNER.—The methodology under this
 21 paragraph shall be designed and implemented
 22 in a manner so that it does not result in any
 23 material change in the aggregate level of ex-
 24 penditures under this title compared to the level
 25 that would have occurred if such methodology

1 had not been implemented (and if the previous
2 risk adjustment methodology had continued to
3 be implemented).’”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 subsection (a) takes effect on the date of the enactment
6 of this Act and applies to payments for months beginning
7 on or after January 2000.

8 **SEC. 3. ELIMINATION OF ANY FURTHER ADJUSTMENT IN**
9 **THE NATIONAL PER CAPITA**
10 **MEDICARE+CHOICE GROWTH PERCENTAGE.**

11 Section 1853(c)(6)(B) of the Social Security Act (42
12 U.S.C. 1395w–23(c)(6)(B)) is amended—

- 13 (1) by inserting “and” at the end of clause (ii);
14 (2) by striking clauses (iii) through (v); and
15 (3) in clause (vi), by striking “2002” and in-
16 serting “1999” and redesignating such clause as
17 clause (iii).

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