

107TH CONGRESS
1ST SESSION

H. R. 274

To amend title XVIII of the Social Security Act to provide incentive payments for multi-year contracts entered into by Medicare+Choice organizations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. ISRAEL (for himself and Mr. GRUCCI) 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 provide incentive payments for multi-year contracts entered into by Medicare+Choice organizations, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Seniors’ Health Care
5 Bill of Rights of 2001”.

1 **SEC. 2. INCENTIVE PAYMENTS FOR MULTI-YEAR CON-**
 2 **TRACTS FOR MEDICARE+CHOICE ORGANIZA-**
 3 **TIONS.**

4 (a) INCENTIVE PAYMENTS FOR MULTI-YEAR CON-
 5 TRACTS WITH MEDICARE+CHOICE ORGANIZATIONS.—
 6 Section 1853 of the Social Security Act (42 U.S.C.
 7 1395w-23) is amended—

8 (1) in subsection (a)(1)(A), by striking “and
 9 (i)” and inserting “(i), and (j)”; and

10 (2) by adding at the end the following new sub-
 11 section:

12 “(j) INCREASED PAYMENT FOR MULTI-YEAR
 13 MEDICARE+CHOICE COORDINATED CARE PLAN CON-
 14 TRACTS.—

15 “(1) IN GENERAL.—In the case of a
 16 Medicare+Choice organization that enters into a
 17 contract with the Secretary under section 1857 to
 18 offer a Medicare+Choice plan for a period of 3
 19 years, the amount of the monthly payment otherwise
 20 made to the organization for the plan under this sec-
 21 tion (taking into account, if applicable, subsection
 22 (i)), shall be increased by 5 percent for each year of
 23 the contract period.

24 “(2) PENALTY FOR CONTRACT TERMINATION.—
 25 In the case of a Medicare+Choice organization that
 26 has entered into a contract described in paragraph

1 (1) that terminates such contract before the end of
2 the 3-year contract period, the Medicare+Choice or-
3 ganization shall pay to the Secretary an amount
4 equal to twice the aggregate amount of the increased
5 payments made to the organization by reason of
6 paragraph (1). Such moneys shall be deposited in
7 the Federal Hospital Insurance Trust Fund and the
8 Federal Supplementary Medical Insurance Trust
9 Fund in such proportion as the Secretary determines
10 appropriate.”.

11 (b) DISQUALIFICATION FROM FEHBP PARTICIPA-
12 TION FOR CONTRACT TERMINATION IN MIDDLE OF CON-
13 TRACT TERM.—Section 1857(g)(3) of such Act (42 U.S.C.
14 1395w–27(g)(3)), as added by section 623(a) of the Medi-
15 care, Medicaid, and SCHIP Benefits Improvement and
16 Protection Act of 2000, is amended by adding at the end
17 the following:

18 “(E) Disqualification from participation
19 (or continued participation) in the Federal em-
20 ployees’ health benefits program, under chapter
21 89 of title 5, United States Code, where the
22 finding under subsection (c)(2)(A) is based on
23 the organization’s termination of its contract
24 under this section other than at the end of a
25 term under subsection (a).”.

1 (c) NO NEW ENROLLMENTS IN PLAN AFTER ORGA-
 2 NIZATION PROVIDES NOTICE OF PLAN TERMINATION.—
 3 Section 1851(e) of such Act (42 U.S.C. 1395w–21(e)) is
 4 amended—

5 (1) in paragraph (2), by striking “paragraph
 6 (5)” and inserting “paragraphs (5) and (7)”; and

7 (2) by adding at the end the following new
 8 paragraph:

9 “(7) NO NEW ENROLLMENTS IN A PLAN AFTER
 10 NOTICE OF PLAN TERMINATION PROVIDED.—An
 11 election of coverage under a Medicare+Choice plan
 12 of an Medicare+Choice organization for an area
 13 may not be made after the date that the organiza-
 14 tion notifies the Secretary that the organization in-
 15 tends to terminate the contract under this part with
 16 respect to the plan and area at the end of the term
 17 then current.”.

18 (d) DEADLINE FOR MAILING NOTICE OF PLAN TER-
 19 MINATION.—Section 1857(d)(3) of such Act (42 U.S.C.
 20 1395w–27(d)(3)) is amended by adding at the end the fol-
 21 lowing: “The organization shall mail such notice to each
 22 such individual by not later than 30 days after the organi-
 23 zation notifies the Secretary that the organization intends
 24 to terminate the contract under this part with respect to
 25 the plan and area.”.

1 (e) EFFECTIVE DATES.—(1) The amendment made
2 by subsection (a) shall apply to terms of contracts that
3 begin after the date of the enactment of this Act.

4 (2) The amendments made by subsections (b) and (d)
5 shall apply to terminations occurring after the date of the
6 enactment of this Act.

7 (3) The amendments made by subsection (c) shall
8 apply to elections of enrollment occurring after the date
9 of the enactment of this Act.

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