

# Union Calendar No. 325

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4961

[Report No. 107-544]

To establish a National Bipartisan Commission on the Future of Medicaid.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 2002

Mr. TAUZIN introduced the following bill; which was referred to the Committee  
on Energy and Commerce

JUNE 26, 2002

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

---

## A BILL

To establish a National Bipartisan Commission on the  
Future of Medicaid.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **TITLE IX—MEDICAID, PUBLIC**  
2 **HEALTH, AND OTHER HEALTH**  
3 **PROVISIONS**

4 **Subtitle A—Medicaid Provisions**

5 **SEC. 901. NATIONAL BIPARTISAN COMMISSION ON THE FU-**  
6 **TURE OF MEDICAID.**

7 (a) ESTABLISHMENT.—There is established a com-  
8 mission to be known as the National Bipartisan Commis-  
9 sion on the Future of Medicaid (in this section referred  
10 to as the “Commission”).

11 (b) DUTIES OF THE COMMISSION.—The Commission  
12 shall—

13 (1) review and analyze the long-term financial  
14 condition of the medicaid program under title XIX  
15 of the Social Security Act (42 U.S.C. 1396 et seq.);

16 (2) identify the factors that are causing, and  
17 the consequences of, increases in costs under the  
18 medicaid program, including—

19 (A) the impact of these cost increases upon  
20 State budgets, funding for other State pro-  
21 grams, and levels of State taxes necessary to  
22 fund growing expenditures under the medicaid  
23 program;

24 (B) the financial obligations of the Federal  
25 government arising from the Federal matching

1 requirement for expenditures under the med-  
2 icaid program; and

3 (C) the size and scope of the current pro-  
4 gram and how the program has evolved over  
5 time;

6 (3) analyze potential policies that will ensure  
7 both the financial integrity of the medicaid program  
8 and the provision of appropriate benefits under such  
9 program;

10 (4) make recommendations for establishing in-  
11 centives and structures to promote enhanced effi-  
12 ciencies and ways of encouraging innovative State  
13 policies under the medicaid program;

14 (5) make recommendations for establishing the  
15 appropriate balance between benefits covered, pay-  
16 ments to providers, State and Federal contributions  
17 and, where appropriate, recipient cost-sharing obli-  
18 gations;

19 (6) make recommendations on the impact of  
20 promoting increased utilization of competitive, pri-  
21 vate enterprise models to contain program cost  
22 growth, through enhanced utilization of private  
23 plans, pharmacy benefit managers, and other meth-  
24 ods currently being used to contain private sector  
25 health-care costs;

1           (7) make recommendations on the financing of  
2       prescription drug benefits currently covered under  
3       medicaid programs, including analysis of the current  
4       Federal manufacturer rebate program, its impact  
5       upon both private market prices as well as those  
6       paid by other government purchasers, recent State  
7       efforts to negotiate additional supplemental manu-  
8       facturer rebates and the ability of pharmacy benefit  
9       managers to lower drug costs;

10          (8) review and analyze such other matters relat-  
11       ing to the medicaid program as the Commission  
12       deems appropriate; and

13          (9) analyze the impact of impending demo-  
14       graphic changes upon medicaid benefits, including  
15       long term care services, and make recommendations  
16       for how best to appropriately divide State and Fed-  
17       eral responsibilities for funding these benefits.

18       (c) MEMBERSHIP.—

19           (1) NUMBER AND APPOINTMENT.—The Com-  
20       mission shall be composed of 17 members, of  
21       whom—

22           (A) four shall be appointed by the Presi-  
23       dent;

24           (B) six shall be appointed by the Majority  
25       Leader of the Senate, in consultation with the

1           Minority Leader of the Senate, of whom not  
2           more than 4 shall be of the same political party;

3           (C) six shall be appointed by the Speaker  
4           of the House of Representatives, in consultation  
5           with the Minority Leader of the House of Rep-  
6           resentatives, of whom not more than 4 shall be  
7           of the same political party; and

8           (D) one, who shall serve as Chairman of  
9           the Commission, appointed jointly by the Presi-  
10          dent, Majority Leader of the Senate, and the  
11          Speaker of the House of Representatives.

12          (2) DEADLINE FOR APPOINTMENT.—Members  
13          of the Commission shall be appointed by not later  
14          than December 1, 2002.

15          (3) TERMS OF APPOINTMENT.—The term of  
16          any appointment under paragraph (1) to the Com-  
17          mission shall be for the life of the Commission.

18          (4) MEETINGS.—The Commission shall meet at  
19          the call of its Chairman or a majority of its mem-  
20          bers.

21          (5) QUORUM.—A quorum shall consist of 8  
22          members of the Commission, except that 4 members  
23          may conduct a hearing under subsection (e).

24          (6) VACANCIES.—A vacancy on the Commission  
25          shall be filled in the same manner in which the origi-

1       nal appointment was made not later than 30 days  
2       after the Commission is given notice of the vacancy  
3       and shall not affect the power of the remaining  
4       members to execute the duties of the Commission.

5           (7) COMPENSATION.—Members of the Commis-  
6       sion shall receive no additional pay, allowances, or  
7       benefits by reason of their service on the Commis-  
8       sion.

9           (8) EXPENSES.—Each member of the Commis-  
10      sion shall receive travel expenses and per diem in  
11      lieu of subsistence in accordance with sections 5702  
12      and 5703 of title 5, United States Code.

13      (d) STAFF AND SUPPORT SERVICES.—

14           (1) EXECUTIVE DIRECTOR.—

15           (A) APPOINTMENT.—The Chairman shall  
16      appoint an executive director of the Commis-  
17      sion.

18           (B) COMPENSATION.—The executive direc-  
19      tor shall be paid the rate of basic pay for level  
20      V of the Executive Schedule.

21           (2) STAFF.—With the approval of the Commis-  
22      sion, the executive director may appoint such per-  
23      sonnel as the executive director considers appro-  
24      priate.

1           (3) APPLICABILITY OF CIVIL SERVICE LAWS.—

2           The staff of the Commission shall be appointed with-  
3           out regard to the provisions of title 5, United States  
4           Code, governing appointments in the competitive  
5           service, and shall be paid without regard to the pro-  
6           visions of chapter 51 and subchapter III of chapter  
7           53 of such title (relating to classification and Gen-  
8           eral Schedule pay rates).

9           (4) EXPERTS AND CONSULTANTS.—With the  
10          approval of the Commission, the executive director  
11          may procure temporary and intermittent services  
12          under section 3109(b) of title 5, United States Code.

13          (5) PHYSICAL FACILITIES.—The Administrator  
14          of the General Services Administration shall locate  
15          suitable office space for the operation of the Com-  
16          mission. The facilities shall serve as the head-  
17          quarters of the Commission and shall include all  
18          necessary equipment and incidentals required for the  
19          proper functioning of the Commission.

20          (e) POWERS OF COMMISSION.—

21          (1) HEARINGS AND OTHER ACTIVITIES.—For  
22          the purpose of carrying out its duties, the Commis-  
23          sion may hold such hearings and undertake such  
24          other activities as the Commission determines to be  
25          necessary to carry out its duties.

1           (2) STUDIES BY GAO.—Upon the request of the  
2           Commission, the Comptroller General shall conduct  
3           such studies or investigations as the Commission de-  
4           termines to be necessary to carry out its duties.

5           (3) COST ESTIMATES BY CONGRESSIONAL  
6           BUDGET OFFICE AND OFFICE OF THE CHIEF ACTU-  
7           ARY OF HCFA.—

8                   (A) The Director of the Congressional  
9           Budget Office or the Chief Actuary of the Cen-  
10          ters for Medicare & Medicaid Services, or both,  
11          shall provide to the Commission, upon the re-  
12          quest of the Commission, such cost estimates as  
13          the Commission determines to be necessary to  
14          carry out its duties.

15                  (B) The Commission shall reimburse the  
16          Director of the Congressional Budget Office for  
17          expenses relating to the employment in the of-  
18          fice of the Director of such additional staff as  
19          may be necessary for the Director to comply  
20          with requests by the Commission under sub-  
21          paragraph (A).

22           (4) DETAIL OF FEDERAL EMPLOYEES.—Upon  
23          the request of the Commission, the head of any Fed-  
24          eral agency is authorized to detail, without reim-  
25          bursement, any of the personnel of such agency to



1 the Commission to assist the Commission in car-  
2 rying out its duties. Any such detail shall not inter-  
3 rupt or otherwise affect the civil service status or  
4 privileges of the Federal employee.

5 (5) TECHNICAL ASSISTANCE.—Upon the re-  
6 quest of the Commission, the head of a Federal  
7 agency shall provide such technical assistance to the  
8 Commission as the Commission determines to be  
9 necessary to carry out its duties.

10 (6) USE OF MAILS.—The Commission may use  
11 the United States mails in the same manner and  
12 under the same conditions as Federal agencies and  
13 shall, for purposes of the frank, be considered a  
14 commission of Congress as described in section 3215  
15 of title 39, United States Code.

16 (7) OBTAINING INFORMATION.—The Commis-  
17 sion may secure directly from any Federal agency  
18 information necessary to enable it to carry out its  
19 duties, if the information may be disclosed under  
20 section 552 of title 5, United States Code. Upon re-  
21 quest of the Chairman of the Commission, the head  
22 of such agency shall furnish such information to the  
23 Commission.

24 (8) ADMINISTRATIVE SUPPORT SERVICES.—  
25 Upon the request of the Commission, the Adminis-

1       trator of General Services shall provide to the Com-  
2       mission on a reimbursable basis such administrative  
3       support services as the Commission may request.

4           (9) PRINTING.—For purposes of costs relating  
5       to printing and binding, including the cost of per-  
6       sonnel detailed from the Government Printing Of-  
7       fice, the Commission shall be deemed to be a com-  
8       mittee of the Congress.

9       (f) REPORT.—Not later than March 1, 2004, the  
10      Commission shall submit a report to the President and  
11      Congress which shall contain a detailed statement of only  
12      those recommendations, findings, and conclusions of the  
13      Commission.

14       (g) TERMINATION.—The Commission shall terminate  
15      30 days after the date of submission of the report required  
16      in subsection (f).

17       (h) AUTHORIZATION OF APPROPRIATIONS.—There  
18      are authorized to be appropriated \$1,500,000 to carry out  
19      this section.



**Union Calendar No. 325**

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 4961**

**[Report No. 107-544]**

---

---

**A BILL**

To establish a National Bipartisan Commission on  
the Future of Medicaid.

---

---

JUNE 26, 2002

Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed