

108TH CONGRESS
2D SESSION

H. R. 5400

To provide for reimbursement of enrollees in the Medicare PPO Demonstration Project for expenses inappropriately incurred in being provided coverage through out-of-network providers.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2004

Mr. CARDIN 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 provide for reimbursement of enrollees in the Medicare PPO Demonstration Project for expenses inappropriately incurred in being provided coverage through out-of-network providers.

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 PPO Fair-
5 ness Act of 2004”.

1 **SEC. 2. REIMBURSEMENT OF ENROLLEES IN THE MEDI-**
2 **CARE PPO DEMONSTRATION PROJECT FOR**
3 **EXPENSES FOR COVERED BENEFITS PRO-**
4 **VIDED THROUGH OUT-OF-NETWORK PRO-**
5 **VIDERS.**

6 (a) NOTICE.—The Secretary of Health and Human
7 Services shall provide written notice to each individual who
8 is, or has been, enrolled in the Medicare PPO Demonstra-
9 tion Project of the following:

10 (1) The fact that enrollees under such project
11 are, and have been, eligible for coverage of services
12 whether the services were provided by in-network or
13 out-of-network providers (pursuant to section
14 1859(b)(2) of the Social Security Act (42 U.S.C.
15 1395w–28(b)(2))).

16 (2) There is a procedure, established under sub-
17 section (b), to provide for reimbursement for claims
18 for services that should be (or have been) covered
19 but were not covered because of their provision by
20 an out-of-network provider in violation of the re-
21 quirement described in paragraph (1).

22 (b) PROCEDURE FOR REIMBURSEMENT.—The Sec-
23 retary shall establish a procedure for reimbursement of en-
24 rollees under the Medicare PPO Demonstration Project
25 for claims for services furnished before January 1, 2005,
26 that should be (or have been) covered but were not covered

1 because of their provision by an out-of-network provider
2 in violation of the requirement described in subsection
3 (a)(1).

4 (c) ADJUSTMENT IN CAPITATION RATES.—The Sec-
5 retary shall provide for an adjustment in the capitation
6 rates for plans under the Medicare PPO Demonstration
7 Project for months in 2005 so as to reduce payment under
8 such rates, in the aggregate, by the aggregate amount of
9 payments the Secretary estimates will be paid under sub-
10 section (b).

11 (d) DEFINITIONS.—For purposes of this section:

12 (1) MEDICARE PPO DEMONSTRATION PROJECT
13 DEFINED.—The term “Medicare PPO Demonstra-
14 tion Project” means the Medicare Preferred Pro-
15 vider Organization (PPO) Demonstration conducted
16 by the Secretary under the authority of section
17 402(a) of the Social Security Amendments of 1967
18 (Public Law 90–248; 42 U.S.C. 1395b–1(a)).

19 (2) SECRETARY.—The term “Secretary” means
20 the Secretary of Health and Human Services.

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