

111TH CONGRESS
1ST SESSION

H. R. 2501

To amend title XVIII of the Social Security Act to extend reasonable cost contracts under Medicare.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2009

Mr. POMEROY (for himself and Mr. PAULSEN) 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 extend reasonable cost contracts under Medicare.

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 Cost Con-
5 tract Extension and Refinement Act of 2009”.

6 **SEC. 2. EXTENSION OF REASONABLE COST CONTRACTS.**

7 (a) EXTENSION OF PERIOD REASONABLE COST
8 PLANS CAN REMAIN IN THE MARKET.—Section

1 1876(h)(5)(C) of the Social Security Act (42 U.S.C.
2 1395mm(h)(5)(C)) is amended—

3 (1) in clause (ii), by striking “January 1,
4 2010” and inserting “January 1, 2013”; and

5 (2) in clause (iii), by striking “the service area
6 for the year” and inserting “the portion of the
7 plan’s service area for the year that is within the
8 service area of a reasonable cost reimbursement con-
9 tract”.

10 (b) EXTENSION OF PERIOD REASONABLE COST
11 PLANS CAN EXPAND THEIR SERVICE AREA.—Section
12 1876(h)(5)(B)(i) of such Act (42 U.S.C.
13 1395mm(h)(5)(B)(i)) is amended to read as follows:

14 “(i) the conditions for prohibiting an extension
15 or renewal of a contract under subparagraph (C)(ii)
16 are not applicable to such service area at the time
17 of the application; and”.

18 **SEC. 3. APPLICATION OF CERTAIN MEDICARE ADVANTAGE**
19 **REQUIREMENTS TO COST CONTRACTS EX-**
20 **TENDED OR RENEWED AFTER ENACTMENT.**

21 Section 1876(h) of the Social Security Act (42 U.S.C.
22 1395mm(h)), as amended by section 2, is amended—

23 (1) by redesignating paragraph (5) as para-
24 graph (6); and

1 (2) by inserting after paragraph (4) the fol-
2 lowing new paragraph:

3 “(5)(A) Any reasonable cost reimbursement contract
4 with an eligible organization under this subsection that is
5 extended or renewed on or after the date of enactment
6 of the Medicare Cost Contract Extension and Refinement
7 Act of 2009 shall provide that the provisions of the Medi-
8 care Advantage program under part C described in sub-
9 paragraph (B) shall apply to such organization and such
10 contract in a substantially similar manner as such provi-
11 sions apply to Medicare Advantage organizations and
12 Medicare Advantage plans under such part.

13 “(B) The provisions described in this subparagraph
14 are as follows:

15 “(i) Section 1851(d) (relating to the provision
16 of information to promote informed choice).

17 “(ii) Section 1851(h) (relating to the approval
18 of marketing material and application forms).

19 “(iii) Section 1852(a)(3)(A) (regarding the au-
20 thority of organizations to include mandatory sup-
21 plemental health care benefits under the plan subject
22 to the approval of the Secretary).

23 “(iv) Section 1852(e) (relating to the require-
24 ment of having an ongoing quality improvement pro-
25 gram and treatment of accreditation in the same

1 manner as such provisions apply to Medicare Advan-
2 tage local plans that are preferred provider organiza-
3 tion plans).

4 “(v) Section 1852(j)(4) (relating to limitations
5 on physician incentive plans).

6 “(vi) Section 1854(g) (relating to restrictions
7 on imposition of premium taxes with respect to pay-
8 ments to organizations).

9 “(vii) Section 1856(b)(3) (relating to relation to
10 State laws).

11 “(viii) Section 1857(i) (relating to Medicare
12 Advantage program compatibility with employer or
13 union group health plans).

14 “(ix) The provisions of part C relating to
15 timelines for contract renewal and beneficiary notifi-
16 cation.”.

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