

HR 4985

To amend title XVIII of the Social Security Act to revitalize the Medicare+Choice Program, establish a Medicare+Choice competition program, and to improve payments to hospitals and other providers under part A of the Medicare Program.

Congress: 107 (2001–2003, Ended)

Chamber: House

Policy Area: Health

Introduced: Jun 21, 2002

Current Status: Committee on Ways and Means discharged.

Latest Action: Committee on Ways and Means discharged. (Jun 28, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/house-bill/4985>

Sponsor

Name: Rep. Tauzin, W. J. (Billy) [R-LA-3]

Party: Republican • **State:** LA • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Energy and Commerce Committee	House	Reported By	Jun 27, 2002
Ways and Means Committee	House	Discharged From	Jun 28, 2002

Subjects & Policy Tags

Policy Area:

Health

Related Bills

No related bills are listed.

Title II: Medicare+Choice Revitalization and Medicare+Choice Competition Program - Subtitle A:

Medicare+Choice Revitalization (sic) - Amends part C (Medicare+Choice) (M+C) of title XVIII (Medicare) of the Social Security Act (SSA) to make changes to the M+C payment amounts for 2003 and 2004, revising calculation of the adjusted average per capita cost (AAPCC), the blend payment, and Medicare+Choice payment rates, including in such payment rates the costs of Department of Defense and Department of Veterans Affairs military facility services to Medicare-eligible beneficiaries.

Directs: (1) the Medicare Payment Advisory Commission (MEDPAC) to conduct a study for a report to Congress on the method used for determining the AAPCC; and (2) the Secretary to submit to Congress a report on the impact of additional financing on the availability of M+C plans in different areas and its impact on lowering premiums and increasing benefits under such plans.

(Sec. 202) Extends permanently the M+C reporting deadline changes temporarily changed by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 and makes the annual, coordinated election period temporarily changed by such Act permanent.

(Sec. 203) Makes Federal standards supersede any State law or regulation (other than State licensing laws or State laws relating to plan solvency) with respect to M+C plans offered by M+C organizations.

(Sec. 204) Allows specialized M+C plans for special needs beneficiaries to be any type of coordinated care plan.

(Sec. 205) Makes permanent the current demonstration for coverage under M+C medical savings account (MSA) plans and eliminates the associated enrollment cap.

(Sec. 206) Allows a reasonable cost contract to be extended or renewed beyond December 31, 2004 if there were no coordinated care M+C plans in its service area.

Amends the Omnibus Budget Reconciliation Act of 1987 to extend the waivers permitting operation of the social health maintenance organization (SHMO) demonstration program through December 31, 2004. Provides that nothing prevents a SHMO from offering an M+C plan.

Subtitle B: Medicare+Choice Competition Program - Outlines a: (1) Medicare+Choice competition program allowing for the submission of bid amounts by Medicare+Choice organizations for the provision of all items and services; and (2) competitive-demonstration program under which Medicare+Choice areas are designated as competitive-demonstration areas.

Title IV: Provisions Relating to Part A - Subtitle A: Inpatient Hospital Services (sic) - Amends SSA title XVIII to: (1) set the hospital update factor at the market basket percentage increase minus .25 percentage points for all hospitals, except sole community hospitals which receive an update factor of the full market basket; (2) increase the level of adjustment for indirect costs of medical education in FY 2003 and FY 2004; (3) make changes to the mechanism to recognize the costs of new medical services or technologies, requiring, among other changes, for the Secretary to provide for the addition of new diagnosis and procedure codes in April 1 of each year that would not be required to affect Medicare's payment or diagnosis related group classification until the following fiscal year; and (4) provide for adjustment of the Federal rate for discharges from hospitals in Puerto Rico to a blended amount based on a 50-50 split between Federal and local amounts through October 1, 2003, with, from FY 2004 through 2007, an increasing amount of the payment rate based on Federal national rates and a decreasing amount on Puerto Rico local rates.

Subtitle B: Skilled Nursing Facility Services - Amends BIPA (sic) and SSA title XVIII to modify payment for covered skilled nursing facility (SNF) services: (1) directing the Secretary to increase by eight percent the nursing component of the case-mix adjusted Federal prospective payment rate specified in Tables 3 and 4 of the final rule published in the Federal Register by the Health Care Financing Administration on July 31, 2000 and as subsequently updated, effective for services furnished on or after October 1, 2002 and before October 1, 2005; and (2) increase by 128 percent the resource utilization group payment for a SNF resident with acquired immune deficiency syndrome (AIDS).

Subtitle C: Hospice - Amends SSA title XVIII to provide for coverage of certain physicians' services for certain terminally ill individuals.

(Sec. 422) Increase by ten percent the payment rates for hospice care furnished in a frontier area on or after January 1, 2003, and before January 1, 2008.

(Sec. 423) Directs the Secretary to conduct, and to report to the Congress on, a described demonstration project for the delivery of hospice care to Medicare beneficiaries in rural areas.

Subtitle D: Other Provisions - Directs the Secretary to conduct, and to report to the Congress on, a described demonstration project to demonstrate the use of recovery audit contractors under the Medicare Integrity Program in identifying and recouping overpayments under Medicare for services for which payment is made under Medicare part A.

Actions Timeline

- **Jun 28, 2002:** Committee on Ways and Means discharged.
- **Jun 28, 2002:** Placed on the Union Calendar, Calendar No. 331.
- **Jun 28, 2002:** Committee on Ways and Means discharged.
- **Jun 26, 2002:** Reported by the Committee on Energy and Commerce. H. Rept. 107-550, Part I.
- **Jun 26, 2002:** Reported by the Committee on Energy and Commerce. H. Rept. 107-550, Part I.
- **Jun 26, 2002:** House Committee on Ways and Means Granted an extension for further consideration ending not later than June 28, 2002.
- **Jun 21, 2002:** Introduced in House
- **Jun 21, 2002:** Introduced in House
- **Jun 21, 2002:** 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.
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